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## AIR COMMANDER SAYS ALLIED SUPPORT TROOPS BEST LANDED IN SOUTH

Oslo AFTENPOSTEN in Norwegian 21 Sep 79 p 5

[Article by Knut Falchenberg: "Air Commander Bjorn Hermansen: Southern Norway Most Suitable for Reinforcement Aircraft"]

[Text] "If something should break out here in this country, southern Norway is possibly the only place where Allied reinforcement can get in," the commander of the air force in southern Norway, Maj Gen Bjorn Hermansen, tells AFTENPOSTEN. He would prefer one of the two squadrons which are assumed to be stationed in the northern part of the country to be stationed mainly in southern Norway.

"There is no doubt that northern Norway will need reinforcements in case of a war. But the question is whether the reinforcements can get into that part of the country with transport aircraft. In my opinion southern Norway is therefore the most important part of the country with regard to receiving reinforcements," says Hermansen.

"When I want more of the new F16 interceptors to be stationed in the south, it is also based on an evaluation of the threat in the north. The critical point is when the airplanes are standing on the ground, and the way northern Norway is located, there is a risk that the runway will be destroyed before we get aircraft into the air."

## Greater Range

"One important factor when one evaluates stationing aircraft is that the range has been radically improved in recent years. As aircraft in northern Norway gradually might be shot down, one can fly in from the south. There is no reason why an F-16 aircraft from Rygge in Ostfold could not go to Troms, 'hang in the air' there for an hour and a half and then get back to southern Norway. Another fact is that the allied aircraft which are expected in the country in addition to our own, from bases in southern Norway, can also fly raids to Denmark and all the way down to Central Europe as required."

Major General Hermansen believes that the southern part of our country lies comparatively well protected against attacks over the sea or over land. An attack from the Warsaw Pact would have to wind all the way around northern Norway, penetrate the Danish straits or come via Sweden. In any case, over the short range the threat against southern Norway will be greatest from the air.

"The defense of airfields and ports where allied reinforcements can enter in is a main task in this part of the country. I want to point out the importance of maintaining the NIKE defense in the southeastern part of the country, especially because it will take a long time before the F-16 has been worked completely into the air defense and because it will take a long time before we get any mobile missile air defense around the airfields.

"The long-range NIKE missiles constitute an excellent air defense system, and it is also the only air defense system in the south which can operate in all types of weather," Maj Gen Bjorn Hermansen tells AFTENPOSTEN.

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## ROLE SEEN AS VITAL TO NATO DEFENSE EFFORT

Oslo AFTENPOSTEN in Norwegian 27 Sep 74 p 3

[Commentary by Egil Sundar: "War in Norwegian Northern Areas Require Full Utilization of the NATO Forces: The Northern Flank is the Critical Point"]

[Text] Washington, 26 September. A possible war in the Norwegian northern area will require full utilization of the NATO forces, especially in view of the fact that the northern flank is the most critical point in view of the possibility for being cut off. And if northern Norway is lost, we also lose the Norwegian Sea. This is one of many conclusions which can be drawn from the conversations parliament's defense committee has had with prominent political and military leaders in the White House, the Congress, the Pentagon and in the Department of State in Washington.

On the behalf of the Defense Committee, the chairman, Per Hysing-Dahl (Conservative), has repeatedly emphasized that Norway must not build its security on illusions. In the reality which surrounds us it is a simple and uncontested fact that Western Europe's and Norway's security depend upon close collaboration with North America.

In conversations with American politicians Hysing-Dahl has expressed the opinion that the open Western democracies, our form of society and life, could not be maintained without the burdens which the United States has been willing to assume.

"The United States alone carries more than 60 percent of NATO's defense expenses," Hysing-Dahl pointed out in a meeting with the Congressional Defense Committee. And he continued: "We will not take this quite decisive contribution from an individual member country as granted. We will not evade our responsibility for our own safety and the burdens for a military defense. The European NATO countries, including Norway, must increase their effort in their own defense because it is us who are primarily involved," declared the chairman in the Norwegian Defense Committee.

It has been made clear to the members of the defense committee that the United States considers it crucial that the increasing Soviet missile threat against



Western Europe and the Western world be met with adequate countermeasures within NATO. The American Government expects that the proposal about placing long range nuclear weapons in Western Europe will gain full support from all NATO member countries, while it is emphasized that it is important that NATO in a case of this nature be able to make a collective decision. Even if Norway is bound by its base and nuclear policy, it is believed in American Government circles that it is extremely important that the proposals about modernizing NATO's nuclear weapons be supported by Norwegian political authorities, and also by Denmark. In view of the debate which can now be expected in some of NATO's other member countries, support from the Danish and Norwegian side is given considerable importance.

In order to get the new nuclear program accepted by public opinion in the various NATO countries, it is emphasized very strongly that it is not a matter of increasing the number of nuclear weapons, but on the other hand of replacing and modernizing a partially obsolete weapons system. Reference is made to the fact that the Soviet Union's arsenal of nuclear intermediate range rockets has been expanded to such an extent that it now constitutes a serious threat to NATO. According to intelligence reports, the Soviet Union has close to 100 SS 20 missiles, each with three nuclear charges and all directed against targets in Europe. The missiles have an effective range of 3,000 km.

In parallel with this there has been a strengthening of the Soviet air force. The most important improvement has been the appearance of the Backfire bomber, of which approximately 100 are in service now. This aircraft is believed to be capable of carrying long range nuclear weapons. In NATO circles it is also pointed out that the Soviets have an increasing capacity for transport of troops by aircraft. Moscow has more than 70 long range transport aircraft of the Candid type.

In response to the overhanging Soviet missile threat directed against Western countries, on the NATO side weapons will be placed which can reach targets in the Soviet Union. It is maintained that there must be no shadow of doubt that the NATO countries are ready to take those countermeasures which the situation requires.

During the conversations in the Pentagon parliament's Defense Committee, which at the present time is carrying out an extensive study trip to Canada and the United States, has heard the American Government's evaluation of both the strength relationship between the Warsaw Pact countries and NATO in Central Europe and of the situation on the northern flank. In both areas NATO is confronted with considerable challenges.

In Central Europe the situation can be described by saying that NATO has got problems wherever they did not have problems 10 years ago. During this time period the Warsaw Pact has become superior to NATO in practically all areas, and here--just like farther north--the ground to air weapon is the weakest point.

On the American side great weight is placed on strengthening the NATO cooperation in order to improve the position of the alliance as compared to the Warsaw Pact. An alliance does not become stronger than its weakest link, and without full support from each individual member country it will become difficult to give NATO the deterrent effect which is the organization's most important mission. In the Pentagon it is emphasized to members of parliament's Defense Committee that in the future decisive efforts must be made to qualitatively improve the NATO defense. But if we are to have any hope at all of filling the gap which has arisen between the Warsaw Pact and NATO, the member countries in the alliance must in a way quite different from previously be willing to collaborate constructively.

With regard to the relationships on the north flank, the American leaders are inclined to draw a relatively optimistic picture of the situation. Possibly too optimistic, according to some members of the Defense Committee.

"We are undoubtedly doing the right thing to master the defense tasks on the north flank," emphasizes a prominent spokesman for the American Department of Defense. And he adds: "It is always encouraging to see how hard work is being carried out with the Norwegian defense, even though the means are severely limited." From the same side it was stated that because of the terrain it would be easy to build up an effective defense in northern Norway.

It is said that first of all we must plan to modernize our forces in the north. It is especially important to strengthen the air force and especially the defense of the airfields. The new F16 airplane, of which Norway has ordered a total of 72, was considered highly important in this connection, and in the Pentagon it was said that in a war situation it will be correct to use all 15 F16 aircraft for the defense of northern Norway. And an important task for these new fighter aircraft will be the defense of airfields and air bases.

With F16, Roland and improved runways we should be in a good position in the air, according to experts in the Pentagon. But at the same time we have been clearly told that we must do something about the defense of our airfields as soon as possible. One spokesman for the Department of Defense in Washington said straight out:

"Regardless of from where you get the weapons, you must procure them quickly because these airfields cannot be defended today!"

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## FUTURE OF NIKE ANTI-AIRCRAFT DEFENSE UNCLEAR

Oslo AFENPOSTEN in Norwegian 25 Sep 79 p 10

[Commentary by Knut Falchenberg: "Steel and Concrete Protect NIKE"]

[Text] A small switch is concealed under a red cover on the control board on Nes battery. Depressing this button is the last action required to release a five-ton heavy NIKE missile, which can strike any type of aircraft located within 150 km from the missile battery. As southern Norway's only air defense system which can operate in all types of weather, the NIKE battalion is kept ready 24 hours a day--for the time being.

The approximately 600 women and men who constitute the NIKE battalion are now waiting anxiously for the decision on whether the system is to be modernized or not. A negative answer can in the worst case mean that the battalion will die in a few years.

Even if time is against them, officers and soldiers in the five batteries in Oslo's periphery are working actively to remove one of the arguments against NIKE: through their own efforts, which have saved the armed forces as much as 60 percent of the installation costs, they have built bunkers in steel and concrete, which increase the survival capacity in case of attack considerably. The new protective measures weaken arguments that the NIKE system is vulnerable. In addition, the batteries have air defense weapons for self-defense.

## Vigorous 20-Year-Old

"Even if NIKE celebrates its 20th anniversary in Norway, there is today no ground-to-air missile system in the world which is equally effective at intermediate and higher altitudes," the battalion commander, Colonel Johan Aronsen, tells AFTENPOSTEN.

Missiles which are fired from the four batteries in Asker, Valer and Trogstad in Ostfold and in Nes in Romerike can hit airplanes penetrating the air space as far out as Risør, as far north as Lillehammer and equally far in other compass directions. One-half of Norway's population lives in this area. Even airplanes which stay 100,000 feet above the ground --30 km--are

easy targets for the missiles. Depending upon terrain formations, NIKE radars can also track targets at low altitude, actually so low that one of the batteries can track boats in the Oslo Fjord.

### Electronic Advantage

The latest new thing is that when the radar image becomes "spotted" or "murky" from hostile electronic warfare, the NIKE system has countermeasures which it is difficult for the enemy to jam.

"Larger modernizations in 1971 and 1975 have produced a resistance against electronic disturbances which Warsaw Pact countries will hardly be able to overcome before at the earliest the end of the 1980's. The increased resistance has been achieved by introducing a new radar for ranging and some other countermeasures in the system. The efficiency and the method of operation of these countermeasures are in part such that during exercises in peacetime the technical possibilities are not utilized completely for fear that foreign intelligence may be listening to the signals," air defense inspector, Colonel Inge Tvedten, tells AFTENPOSTEN.

### Green Light Before Firing

A large trailer is parked at Nes battery this week. The cargo consists of a computer installation, which is used for simulator training. When the simulator's cables are connected to the NIKE system at Nes, the crew gets an opportunity for realistic training in all conceivable situations they may encounter in reality. AFTENPOSTEN participated in a test.

Even though the NIKE system can operate completely independently, it was during the test that the air defense operation center at Makeroy reported a hostile airplane which is to be shot down.

The order is received, and at the same time a marker appears automatically for the aircraft on the radar screen. The operator in the control room at Nes battery keeps the target under surveillance on his search radar all the time until he by pushing a button transfers the target to a target tracking radar, whose only mission is to track this one target. When this radar set, which is assisted by a range radar, has captured the aircraft, a green lamp lights up. Another green lamp lights up when the automatic identification system has checked that there is actually a hostile aircraft up there, not a friendly one. One more green light on the control console shows that the missiles on the firing ramps a couple of kilometers away have been made ready. With all lamps green, the only thing the operator has left to do is to push the firing button.

The NIKE missile then roars away. After three seconds the first rocket stage drops off. The radar set, whose task it is to steer the missile, sends it pulses, and the NIKE missile steers toward its target at three times the speed of sound. The actual explosive charge on board is triggered a few microseconds before the hostile aircraft is hit. A pressure wave and



splinters from the detonation destroys everything within a distance of approximately 80 meters. And with the experience the NIKE battalion has with its hit reliability, it can be assumed that the hostile aircraft is sentenced to death. At least this is how it was during the simulator test at Nes battery today, and this is how it has been during the annual test firings in Sardinia.

With the threat about closing down hanging over them even the awe-inspiring NIKE missiles are defenseless. Only an investment of approximately 50 million kroner for modernization can help this missile system survive the next 10 years. If the authorities are not willing to make this investment, the lack of spare parts may finish the NIKE battalion within a few years.

"A shortage of spare parts weakening the efficiency of the NIKE defense can actually occur at any time," the air defense inspector in the armed forces supreme command, Colonel Inge Tvedten, tells AFTENPOSTEN.

The reason is that several of Norway's allies have joined in a modernization program, which will make NIKE effective into the 1990's. If Norway continues to stay outside this program, it will mean that our country will be sitting with a missile system which to a significant degree differs from the other European countries' NIKE defense. Spare parts of the "old" type will be less accessible, and the annual test firings on Sardinia may have a sudden halt when Italy modernizes its system.

In order to guarantee itself against shortage of parts for some years into the future, Norway has gone in for a limited purchase of spare parts. The need for parts is difficult to calculate exactly, and it is therefore uncertain whether the parts ordered will be adequate for the planned period. AFTENPOSTEN was informed that orders which have been made have already revealed shortages.

Even if the deadline for participating in the other countries' modernization program has expired, our military authorities expect that Norway will continue to have opportunities for participating. Air Defense Inspector Tvedten maintains that a modernization of this type could be financed by reducing operating expenses over a couple of years.

According to what AFTENPOSTEN has found out, in other areas in the armed forces command and also in the department there is at the moment little support for a modernization. No decision has yet been made.

The Defense Commission has not been able to recommend that NIKE be replaced by a corresponding system when it for technical reasons some time is taken out of operation. However, the commission wants to keep NIKE in operation until the low-reaching Roland missiles have been procured, in order to utilize NIKE's professional environment in the air defense. In his comments on this, Chief of Defense Sverre Hamre has maintained that NIKE should be kept in operation as long as it covers a defense need and until it can be replaced by a better and more modern air defense.

It may be difficult to meet these conditions if the shortage of spare parts becomes acute already in a couple of years.

The supreme commander in southern Norway, Lieutenant General Kjell Bjorge-Hansen, tells AFTENPOSTEN that he had hoped that NIKE in any case could be kept till 1985/86.

"Now it looks doubtful. It is actually uncertain whether the missile defense can be kept operative until the F16 squadrons have been set up completely," says Bjorge-Hansen, who is anxious to keep NIKE as long as possible.

One advantage of NIKE is that it protects an area in eastern Norway where one-half of the country's population lives. Southern Norway also has an important defense potential, with airfields and ports which Allied reinforcements are partially dependent upon. Mobilization places and headquarters for military and political leadership also lie here. Military operations in this part of the country will benefit from a NIKE umbrella.

For those who must "cut down to the bone" in the armed forces' tight economy, one thing which counts is that NIKE is comparatively demanding of personnel and expensive in operation. Each of the four missile batteries can only concentrate on one target at a time, and low-flying airplanes are not always just as easy to discover on NIKE's radar.

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## GROWING NATO INTEREST LEADS TO STRONG SOVIET PRESSURE

Oslo AFTENPOSTEN in Norwegian 13 Oct 79 p 4

[Commentary by Olav Trygge Storvik: "Strong Pressure from the Soviets"]

[Text] Just one week ago the Soviet party organ PRAVDA came with the latest attack so far in a series of attacks on parts of the Norwegian defense policy. But this is only the tip of the iceberg, because behind the curtains the Soviet party leaders and diplomats have placed Norway under a continuing and hard pressure, according to information AFTENPOSTEN has obtained. The high point came when prominent leaders in the Norwegian Labor Party visited Moscow at the end of May this year, and when the Soviet Union's Oslo ambassador earlier this year twice visited the Minister of Foreign Affairs Knut Frydenlund. The ambassador read a message from the Soviet Government, which was "concerned" over the Norwegian defense policy.

The Soviet criticism has all the time been directed against advance storage of heavy material for Allied forces in Norway, joint maneuvers with Allied forces and Norwegian participation in the AWACS system. This is an advanced electronic warning and control system with aircraft which, for one thing, have such good radar that from the Norwegian side one can see far into the Soviet Union.

AFTENPOSTEN has been informed from informed sources that very strong words were used from the Soviet side during the visit to the Norwegian party delegation, the harshest words the participants have ever experienced from the Soviet side. Those who participated were: Reiulf Steen, Gro Harlem Brundtland, Tor Halvorsen, Guttorm Hansen and Arne Karstad.

It was the party's chief ideologist, Mikhail Suslov, and the chief of the International Department in the Central Committee, Boris Ponomarev, who presented the hard Soviet critique of Norway. From the Norwegian side it became necessary to go to work just as hard, and it was said straight out that if it is true that the Soviet Union is dissatisfied with the reservation of the Norwegian security policy has shown so far, then the participants were ready to return straight home and recommend that this policy be taken up for reevaluation. After this the tone from the Soviet side changed.

But the Soviet critique of Norwegian defense policy has also been directed against Norwegian authorities on other occasions. Under Secretary Johan Jorgen Holst informs us that the critique against AWACS was also taken up during his visit in Moscow in February this year, but the question was not made into a major case.

The Soviet critique directed at Norwegian authorities is still oral, and from the Norwegian side it has also been answered orally. After the Soviet ambassadors contacts during the winter and the spring, Minister of Foreign Affairs Knut Frydenlund rejected the Russians' concerns by maintaining that it involved legitimate Norwegian defense measures, which are necessary for continuing the detente policy. Minister of Defense Thorvald Stoltenberg tells AFTENPOSTEN that he takes the Soviet criticism with great equanimity. It only shows that the Soviet Union follows what occurs in the neighbor country Norway. He also believes that all the time since 1949 there has been Soviet criticism and protest in connection with "adjustments" to the Norwegian defense policy.

But the Soviet criticism of planned Norwegian defense measures has not stopped with this. One week ago the party organ PRAVDA had an article where the Department of Defense was accused of 'justifying increased NATO presence in Norway.' So far this was the last in the series of Soviet reprimands of Norwegian defense policy. The preludes also came in PRAVDA already on 22 January this year. The paper wrote about plans for storing nuclear equipment in Norway, storage of heavy material, and criticized Secretary of State Holst because he allegedly had been in favor of an agreement about sending American marines to Norway.

On 21 March TASS criticizes the exercise "cold winter," maintains that Norway is a center of electronic espionage, and criticizes plans for advanced storage of materials.

On 5 April IZVESTIYA follows up and maintains that exercises increased in extent, criticizes AWACS and maintains that the system is not placed under Norwegian control. The question is posed of whether official policy is now being abandoned. On 17 April TASS writes that Norway agrees with demands which are contrary to the base policy. The AWACS and storage of equipment are criticized, and it is maintained that Norway to a greater degree is becoming a military exercise area of allied forces. On 24 April PRAVDA and IZVESTIYA write that the sole intention of Vice President Walter Mondale's visit to Norway is to strengthen NATO's northern flank and to accelerate the weapons race. Advance storage is criticized.

On 21 August the journal INTERNATIONAL LIFE writes that Norway's base and nuclear policy are being undermined. The AWACS and joint maneuvers are criticized.

On 14 September TASS brings Norway into the American Cuba debate and maintains that American Air Force personnel are stationed in Norway. The Soviet news bureaus cite the American news magazine TIME after Soviet diplomats in Washington had planted this story in the American press.



## Criticism of Norway

The criticism has primarily affected the AWACS system, which is a very advanced electronic warning and control system, a type of flying radar station. In the 1980's NATO will take 16 aircraft of this type into use, while the American Air Force will procure 25 AWACS. The most important properties of the aircraft are the "look-down" radar, which can see aircraft attacking at treetop height within a circle with a radius of several 100 km, depending upon how high the AWACS is flying. The flying radar station thus becomes a supplement to the ground radar, which cannot see behind mountains or low-flying aircraft, which are concealed by the ground curvature. In addition, AWACS has an advanced data installation which makes it possible to evaluate the threat from a high number of attacking aircraft and to direct one's own interceptors in the most effective way. \*

The more accurate operative range of the radar in AWACS is secret, but it is clear that an AWACS flying along the Oslo Fjord will be able to "see" to the Leningrad area. It is, however, uncertain whether this picture can be used operatively. The defense department has presented a parliamentary report on participation in and Norwegian partial financing of the AWACS system. Norwegian authorities inform us that the information AWACS collects will not give the United States an increasing influence over defense planning and guidance. The AWACS aircraft, which will also operate in northern Norway, are subjected to Norwegian restrictions and approval for operations in these areas.

Advance storage of heavy material for allied forces which are earmarked for use in Norway, especially northern Norway, in a crisis situation has also been criticized continuously from the Soviet side. The plans for this have been completed from the military side, but have not yet been accepted by political authorities in the countries concerned. The plans roughly involve permanent storage in Norway of vehicles, combat vehicles, heavier weapons and special winter equipment which is necessary for operations in Norway. The intention is to reduce as much as possible the time required to transfer forces from North America and Great Britain for use in Norway. The ideal goal is that all forces earmarked for operations in Norway can be transferred with aircraft. If the plan is carried out, this will give Norwegian defense policy greater flexibility. Politicians will, for one thing, not be confronted with the dilemma of having to make decisions about introducing foreign forces into Norway at an early point in time in a crisis situation. A low tension in the area can therefore be maintained as long as possible.

The Soviet press has maintained the the frequency of the exercises and the extent of allied forces in Norway has increased in recent years. However, Norwegian authorities have during all years maintained that the framework for the defense policy is fixed. The framework for this policy naturally also includes the exercise pattern, which is being evaluated in detail both in the Department of Foreign Affairs and in the Defense Department in connection with the overall picture for Norwegian security policy.

## DUTCH AGRICULTURE MINISTER DISCUSSES DUTCH, WEST GERMAN PROBLEMS

Amsterdam ELSEVIERS MAGAZINE in Dutch 29 Sep 79 pp 50-52

[Report by H. G. J. Pot: "Van der Stee Wards Off German Demands; Disagreements on Agrarian Export."]

[Text] German threats are affecting the Dutch export of pigs, poultry and market gardening products which runs into billions of guilders. And the threats antagonize our Minister of Agriculture Mr A. van der Stee. "We don't have a serious quarrel with the FRG, but we do have strong differences of opinion," he explains somewhat soothingly to ELSEVIERS MAGAZINE. But the annoyance is mutually increasing.

Agrarian activity still forms a part of the Dutch total export; in conjunctively difficult times such as the present it even forms the most dependable, most stable part. The lion's share of the Dutch agrarian export goes to the West German market, for about 10 billion guilders a year. Thus it is of vital economic interest to the Netherlands. When that interest is threatened, there soon seems to be ready cause for alarm, also outside of the agrarian circle.

The air from beyond our eastern border suddenly seems to be very threatening. A series of demands and threats from the German side concerns the Dutch export of pigs, poultry and market gardening products to the FRG. They are chicaneries on the part of our biggest trade partner which are clearly starting to irritate the Dutch Government. Minister of Agriculture Van der Stee therefore has the entire cabinet on his side in his opposition to the largely unreasonable German demands.

The issue at stake: the German Government has put in writing the ultimatum that the German manner of veterinary pig inspection for trichinosis must be applied by the Netherlands by 1 October. Otherwise import of pigs and pork meat from the Netherlands will be prohibited.

The German Government demands an accelerated increase of the Dutch natural gas prices for the Dutch hothouse market gardening. An additional 7 percent import-levy on the Dutch market gardening export is threatened.

The Germans have demanded a halt of the Dutch WIR [Investments Accounts Bill] premiums on investments in laying-hens.

Van der Stee has a lot of trouble with those German demands. Even if the Germans perhaps are not equally wrong on all points.

The biggest sore spot, the most acute one -- in view of the German "ultimatum" -- currently appears to be the uproar about our pig-export (live and slaughtered) to the FRG. That is a matter of over 1 billion guilders a year. Thus great interests are at stake. The Germans evidently are gambling that the Netherlands won't dare risk anything with that and will certainly give in to the German demands soon. Van der Stee: "The German ministry of public health now requires us to inspect every pig which enters the FRG for trichinae (spiral worm dangerous to human health). We consider that German demand absolutely unreasonable. Our veterinary service makes random- but watertight tests according to the scientifically absolutely reliable serologic "Elisa" system. In practice that has proven to be adequate. Since the war that type of parasite has never occurred here, nor in the FRG. The fact that in the FRG they still continue to check each slaughter pig for that, is their business. Scientific people never like to take a step backward; they do not like to admit that they are doing things which are in fact superfluous. The Germans have the fullest right to demand of us that we do not supply them with products which may be dangerous to their public health. But they are going a little too far if they want to force their inspection system upon us," Van der Stee argues fiercely.

His top negotiator Trojan, assistant general director, reveals the background of this sudden German hair-splitting. In general pig farmers in most European countries are not doing too well, but the Dutch pig-breeding and -export flourishes and expands and is a joy to behold. That evokes envy in the German, British and French farmers. (The latter blockaded the border some time ago in order to halt the import of pigs from the Netherlands) In Germany yet another annoyance was added. The German veterinary service was still inspecting one by one all the imported pigs (live and slaughtered) for trichinosis, but did that for the account of German importers. This spring however, the European Court in Luxembourg condemned this practice because an import obstacle is seen in it which does not abide by EEC rules -- namely a disguised levy on imports. The Germans potentially were allowed to continue with their exaggerated inspecting, provided it was done at the cost of the German Government: an expense bill of roughly 50 million German marks. Neither Bonn nor Public Health nor Agriculture is anxious to come across with that. Thus now the bill is passed on to the Netherlands -- under threat.

Van der Stee: "Now they would love that the Dutch Government pay for that. But we made it known immediately that that will not happen. And that we consider the German demand to be absolutely unreasonable. Those 'negotiations' have been going on for several months already. Now we have suddenly received a letter with the announcement: it must be solved by 1 October.

A sort of ultimatum, apparently. We now have contacted the European Commission in order to emphasize the unfairness of the German position, and we have also asked for a judgment. If the positions continue to be so sharply contrasted, then they will inevitably result in a trial before the European Court. On whether something like that is admissible or not. On whether the German demands are not going too far, which in our firm conviction they do."

To be right is different from being given the right. One might wonder whether our exporters, from the point of view of tactical considerations, perhaps shouldn't still meet a demand of King Customer, in itself possibly unfair, for the sake of an export interest of billions. Van der Stee reacts vehemently to such a suggestion: "I don't share that view. Because I am firmly convinced that we are in the right." Trojan leaps to his aid. "That is not a question for the exporters, but for the Dutch Veterinary Service. The latter certifies -- and only does that when it is completely sure of it -- that our products do not give any danger of trichinosis contagion in the FRG. Basically the exporter has nothing to do with that procedure. That is a responsibility of of the Dutch Veterinary Service, of the government. And one should not be too easy in bowing to certain wishes of other countries in a veterinary or phyto-sanitary area when those wishes are found to be unjust. For, if you give a finger they will, at some point in time, take the whole hand. Then the danger is great that you get an escalation of veterinary or phyto-sanitary measures." Thus it is bend or break? Van der Stee: "Well, things are not such that we are living in terror and fear that everything will go wrong now all of a sudden. But strong German pressure is being put on us. But we'll be able to check that. It's not as if we are so terribly afraid."

The Netherlands is also being confronted with a militant German attitude in the area of hothouse market gardening, with an amount of almost 3 billion guilders in export to the German market last year (already 600 million guilders to West Berlin alone). Also the German vegetable growers find that they are not doing well at present. The German hothouse market gardening heats primarily by oil and that has become noticeably more expensive recently. Therefore one is looking with a jaundiced eye at the Dutch hothouse market gardening which heats almost exclusively by natural gas. Now the Germans complain that their Dutch competitors get that natural gas at too low a price, and that this amounts to a government subsidy of roughly 200 million guilders, and that this is unfair competition. Now their own minister of agriculture, Ertl, has already bravely shown them several times that to get a cost comparison one has to look at the entire cost picture, thus including the fact that the German growers have a great economical advantage over their Dutch colleagues because of ample tax privileges in their income taxes. But naturally Ertl was sent to Brussels with a different message. Thus last week in the meeting of the European Council of Ministers, Van der Stee suddenly got hit in the face by Ertl. Accompanied by approving applause at the meeting table from France and the United Kingdom. Van der Stee swallowed his rage, but once outside the meeting room he immediately let slip that he didn't give a hoot about the opinions in the council of ministers, since the matter falls under the competence



of the European Commission. Ertl's demand -- to let the European Commission make an investigation as to whether the special gas price for Dutch vegetable growers isn't an inadmissible national support measure -- cannot simply be swept under the carpet with that. Nor can Ertl's murmured threat to impose, if necessary, an additional import levy of 7 percent on the import of Dutch market gardening products. Then that will soon threaten to turn Dutch lettuce and cucumbers into kwankwammersloeg [gobbledygook] instead of cucumber salad.

Thus there is plenty of reason for Van der Stee also to stand in the breach for that threatened issue in our export. He explains: "We had that same quarrel also in 1974 (the previous oil price increase). At that time the Dutch Government decided to introduce the price increase for natural gas -- coupled in principle to the price of oil -- with a certain moderation for the hothouse vegetable growers, especially for those enterprises where the cost of natural gas amounts to over 25 percent of the cost of production. The cost adjustment provided for a rate of around 1 percent per 1/2 year, with the possibility for an even more moderate adjustment in the case of clearly deteriorated commercial results. Our hothouse vegetable industry had a rather difficult time in 1977 and 1978 with a decreasing population growth and increasing competition in its most important consumer markets.

"Thus in practice the natural gas price increase during the last 2 years amounted to 1 percent per year. Yet at the beginning of this year," thus tells Van der Stee, "we were practically at the point where the gas price had been equalized with that of oil. But meanwhile a hefty oil price increase came on top of that with more in the air. The contract between the Gas Union and the Agricultural Trade Organization foresees the possibility of revision in the case of such an abnormal price increase for oil and gas. Currently the difference between what those vegetable growers are paying for their gas and the price which should be in effect is around 6 1/2 cents per cubic meter. We will now have to come to some type of acceleration in the price adjustment. We have a discussion on that subject this week with the Agricultural Trade Organization. We happen to be saddled with the EEC view that one really should not artificially push production costs downward. But there is something else which plays a part. The Netherlands is now trying to increase its natural gas export price as much as possible, also for the German buyers. In that context you can of course not make it such that on the one hand you sell your gas as expensively as possible, but that on the other hand you keep the price low in order to be able to export your cucumbers as cheaply as possible.

"With respect to the gas consumption of the hothouse vegetable industry we have indeed not sat still since 1974. Thus, meanwhile, with government support we have developed a gas heater with an energy efficiency of 97 percent (it was 68 percent), netting a fuel saving of certainly 15 percent per unit of product. Thanks to broad agricultural research, hothouse gardening also started to move toward types of vegetables and fruits which require less heat for their growth. Also, a change-over to the cultivating of flowers and potted plants is taking place, for which the market perspectives were better. All in all that brought considerable expansion of the



total hothouse gardening acreage, through which the total natural gas consumption of this sector continued to hover around the 3 billion cubic meters used in 1974. A somewhat accelerated adjustment of the natural gas price for market gardening thus seems inevitable now. But not by German command. We have asserted, against the German position, that there is no question of a special government subsidy. The contract for gas prices is a matter between the Gas Union, which is a private enterprise, and the Agricultural Trade Organization, which is a corporation. That fact -- and we do have a few other strong judicial arguments to fall back upon -- provides a rather strong position in the conflict with the Germans. But we should still be careful not to get into too serious a quarrel on that. For, with the same judicial strength with which we can defend the gas price for the hothouse market gardening, they can defend an import levy of 7 percent on the import of our produce. That is because our big export products, lettuce, cucumber and tomatoes, are actually 'market regulation products' (with minimum price regulations, shredded [for fodder] prices, etc. in the EEC). And -- thus the Germans now also raised the point in Brussels -- the system of the so-called monetary compensating amounts should thus actually also be able to obtain for that." Van der Stee says: "On that we undoubtedly will still have to hold many difficult discussions in Brussels in the coming months."

The wind is blowing from another direction with the storm -- also hanging over Brussels -- on the "egg factories," unworthy of the hen. Van der Stee: "I myself took the initiative in that. A few years ago we discussed a note in our parliament on intensive cattle raising. Throughout the chamber a motion was adopted at that time that we should take the well-being of animals more into account in that entire intensive cattle-raising policy. That concerned also those egg factories. Our standpoint has always been that we could really reverse those production methods a little in order to leave a little more room for the well-being of the animal. But we can only do that if other countries in the EEC -- with whom we are maintaining an open market -- do the same. At the time it was indeed discussed in the EEC-context, but until recently nothing had been done about it. Therefore, this spring at an informal meeting in Perpignan with the other European ministers of agriculture, I broached the subject informally with my colleagues from the FRG, the United Kingdom and Denmark. We agreed that we really must go through with that adjustment now. Since I also had made statements on that in election speeches for the European Parliament, I took the initiative myself. A task force was formed under the leadership of the German Secretary of State Rohr. That group now has submitted a proposal to the European Commission:

--To submit, before the middle of next year, a proposal in which, in the first place, the egg factory as we now know it is prohibited. They may then no longer be built.

--To look more thoroughly into the manner in which a more efficient production of eggs can take place in a manner worthy of an animal.

--To establish a long change-over period.

"The latter is also important," says Van der Stee, "for you can't simply put out in the cold those who now have egg factories. Therefore one is talking about a change-over period of 7 to 8 years. The European Commission now has promised to take up the matter and to come up with proposals in that direction before the middle of 1980 (in the European Council of Ministers).

"Thus we agree on that internationally. That is not a controversial issue," says Van der Stee, "but it is different when it comes to our WIR [Investments Accounts Bill] premium for investments in laying hens. A great hubbub has come on that from the FRG. Here is the background: there is unrest in the German poultry sector. There have been demonstrations by poultry raisers over low prices, etc. In that sort of tension it is not unusual that the blame for one's own troubles is laid at the neighbor's door. In doing that, the German poultry raisers started to show indignation over the fact that the Dutch poultry raisers get a WIR premium for investing in laying hens. The Germans call that unfair competition and now demand that a stop be put to it. Now, we could certainly wonder here in the Netherlands whether such a WIR premium on chickens is not going a little too far. Perhaps we should put a stop to that. But that is not a German concern for the time being. That WIR replaced the investment deduction and the earlier write-off provisions. The German agrarian sector has extensive freedom in income tax, and pays relatively little or nothing up to fairly high incomes. That costs the German treasury 3 billion German marks in income tax revenues. Chancellor Schmidt and the ministers of economic affairs and finance recently made a stand against that. Now a gradual tax adjustment will come into effect for farmers. That stings. With respect to our situation, in preparing the WIR we submitted the plans to the European Commission, which agreed. Nevertheless, the hen-WIR perhaps goes a little too far. That is one of the small corrections which no doubt will be introduced into the WIR shortly," according to Van der Stee.

If one surveys the rather sudden and varied series of demands and attacks in the area of Dutch export to the FRG, the impression emerges that our eastern neighbors all of a sudden seem to be much more peevish in their attitude toward the Netherlands than one would expect from an EEC partner, big trade relation and good neighbor. Does perhaps the German resentment on rather provocative Dutch activities in and against the FRG play something of a part in that? Van der Stee: "Unfortunately I have to agree with you. My German colleague Ertl told me candidly -- in a friendly manner, for that matter -- that similar events have definitely caused annoyance to grow in the FRG. For that matter, growing resentment about those opinionated Netherlanders who are always ready to point their smart little finger and think they know everything better, is noticeable also in the United Kingdom, France and Belgium. We must start paying attention to that in the Netherlands, and we should start to be more careful and moderate in our expressions and standpoints. For that opinionated attitude is going to come back to us, sooner or later, also in our trade. But yes, Langman already said it once in the Ridderzaal: We have two characteristic traits in our national character, that of preacher and that of merchant.

## BRIEFS

**SUPPORT FOR SOUTH TIROL--**At the request of the South Tirolean [Alto Adige] Provincial Government Austria will intervene with the Italian Government to urge the enactment of the overdue executory provisions for the implementation of the "South Tirol autonomy package" [laws concerning the rights of the German-speaking population of South Tirol that Italy undertook to enact and implement under an agreement concluded with Austria in 1969]. This is the most important result of a discussion held in Vienna on 29 October, between representatives of the Vienna Foreign Ministry, Nationalrat deputies of all three parties, and representatives of the North Tirolean and South Tirolean provincial governments. After the conclusion of the talks, Foreign Minister Pahr and South Tirolean Governor Magnago told journalists that the passages concerning South Tirol in Prime Minister Cossiga's government policy statement were regarded as favorable by the participants in the talks, and they hoped that Rome would follow up these words by deeds as soon as possible. While no definite deadlines are being considered, there was consensus that it is now time to bring the matter to a conclusion as quickly as possible, without further delay. In the talks, Magnago also reported about recent dynamiting attempts in South Tirol. After the meeting Pahr declared that such terrorist activities are apt to disturb the good climate between the ethnic groups, and to encourage extremist circles. [AU302230 Vienna WIENER ZEITUNG in German 30 Oct 79 p 1 AU]

**BOMB IN SOUTH TIROL--**In the night of 29 October a bomb exploded at the Post Hotel in Bruneck, South Tirol [Alto Adige], causing some damage to the building and furniture and to a car parked in front of the hotel. At the site of the bombing, three leaflets of the Italian underground movement "MIA" (Movimento Italiano Adige) were found. [AU011632 Vienna ARBEITER-ZEITUNG in German 31 Oct 79 p 2 AU]

**TRADE WITH USSR--**In the first half of this year, Austrian exports to the USSR were only 2.8 billion schillings, 6 percent less than a year ago, while imports from the USSR were 4 billion schillings, 12 percent below the corresponding 1978 figures. Austria's deficit in trade with the USSR accordingly declined from 1.7 billion schillings in the first half of 1978 to 1.3 billion schillings. [AU302131 Vienna WIENER ZEITUNG in German 28 Oct 79 p 7 AU]

KREISKY'S 'RECOGNITION' OF PLO--"In reply to the question what he thought of the 'quasi-recognition' of the PLO by Chancellor Kreisky in his speech before the United Nations, People's Party [OEVP] Chairman Dr Mock declared on 2 November that in foreign political questions the OEVP in principle favors the greatest restraint, so as not to expose Austria to misunderstandings." Mock said that the OEVP is at present still opposed to a recognition of the PLO and will maintain this position as long as the PLO does not clearly indicate that it intends to fully comply with the UN resolutions. "Moreover, the OEVP still sees no reason not to regard the PLO any longer as a terrorist organization," Mock added. [AU051043 Vienna WIENER ZEITUNG in German 3 Nov 79 p 2 AU]

CSO: 3103



## CHANGES IN GOVERNMENT COMPLETED

## Desmarets Succeeds Vanden Boeynants

Brussels LE SOIR in French 16 Oct 79 p 1

[Text] The government now has two new ministers: Jose Desmarets and Philippe Maystadt. It should be noted that these are two new ministers and not two additional ministers. The new arrivals replace Vanden Boeynants, vice prime minister and minister of national defense, who once again becomes president of the PSC [Christian Social Party], and Antoine Humblet, who leaves the government to assume a post in the Namur Regional Investment Company.

The two newcomers will make a grand entry at 16 Rue de la Loi. Actually, Desmarets, who is a minister for the first time, takes up the two posts occupied by Vanden Boeynants. He is therefore starting as vice prime minister, although it was generally thought that this ministerial post would go to a more experienced man. The name of Alfred Califice was on everyone's lips. Or did the minister of social welfare and retirement already have enough work on his hands?

Philippe Maystadt, who will be the secretary of state for Walloon affairs, enters the government at the age of 31. He was elected to the Chamber for the first time in 1977 from the Charleroi PSC lists. He is Califice's protege.

On Monday morning, the two new members of the government accompanied their prime minister on a visit to the king. They immediately took their oath of office and were therefore able to join their colleagues at the Cabinet meeting. Desmarets will immediately undertake all the duties of Vanden Boeynants and will therefore participate in all the restricted Cabinet meetings and in all negotiations at the highest level.

## Desmarets, Maystadt Portrayed

Brussels LE SOIR in French 16 Oct 79 p 2

[Text] He stands nearly 6 feet tall, weighs in at 185 pounds, has a commanding presence and a good speaking voice, and at the age of 54, has both



shrewdness and endurance: What more does Deputy Jose Desmarets need to make a good minister of national defense? Our current community strategy reserves this post for a member of the Christian Social Party from Brussels.

His first public duty will be to attend the ceremonies marking the Military School's new school year on Wednesday.

His first political activities will consist of participating in the meetings of the general policy committee, the ministerial economic and social committee and the budget committee. The post of vice prime minister left by Vanden Boeynants is also his, although it was generally thought that it would go to Alfred Califice, minister of social welfare and retirement. Desmarets, who has committee experience in economic affairs and in ways and means and who has also led the PSC group in the Chamber, will become a member of the government's decision-making bodies.

A volunteer soldier in 1944, a holder of a degree in law and another in political and social sciences, a former 800-meter man, the father of four children, a lover of classical music, a Latinist and Hellinist and several times elected alderman, this Schaarbeek native was also once a journalist.

Elected to Parliament for the first time in 1971, it took him only 8 years to become a minister. A bilingual French-speaker, a seasoned, militant CEPIC [Political Center of Christian Independents and Cadres] member possessing great charm, he would perhaps have reached that level even sooner if, relentless in battle against his adversaries, he had protected himself better from his friends! But after all, he is only one government behind.

Nevertheless, he can now say that he did not waste his time. A member of the NATO parliamentary assembly, he became acquainted with defense problems in international politics. He became accustomed to the privileges and limitations of the material organization of our armed forces as the militiaman grows accustomed to military life: through fatigue duty and the parades.

Unlike his predecessor, he scarcely goes in for sports or gymnastics, a label that could not be applied to his vacation outings to archeological digs on the Mediterranean.

He reads a great deal and very rapidly, always on useful subjects. He knows Caesar and his commentaries backwards and forwards, along with Xenophon, that specialist in the art of the retreat. He has flown over the "Memoires" of Turenne, if one dares to use such an expression. But on his nightstand, Napoleon's summary of the wars of the French marshal lies unfinished.

For the immediate present, the reception of the controversial armored transport vehicles for combat will be his domain, and in 2 years, if the Martens government enjoys peace at home, the purchase of a vast category of fighter airplanes. Will he have the time to go into Clausewitz' theories on total war? Or even to approach the book by General Close?

Since the Liberation, he has been the 13th minister to write his name on the honor roll of the Ministry of National Defense.

**Maystadt: Studious and Popular**

His kind, almost timid, face and his courtesy make him less gifted but equally ambitious interlocutors admit his lively intelligence, his quick but studious nature, aided by a certain shrewdness and a solid university background. Philippe Maystadt holds a doctorate in law from the University of Louvain, a degree in economics and a master's in public administration, earned in the United States in the early 1970's. An instructor at the University of Louvain for the past 5 years, he has continued a rapid and varied political trajectory along with his academic career. After being active in leftist Walloon movements as a student, he joined the staff of Minister Califice in 1974 as an independent adviser. The kingpin of the regionalization of budgets, he joined the PSC and was elected deputy from Charleroi for the first time in April 1977. The following year, heading his party's list, he gathered nearly 17,000 votes, considered a record in the region.

This new secretary of state has several assets. Since his entry into politics, he has worked his region well, methodically and with conviction, because he is not lacking in generosity. Politically speaking, he is skillful enough to feel at ease in leftist circles from which he is sprung and in other "families" of his party. As a member of Parliament, he has taken up various economic and social issues which in the coming weeks he will have the opportunity to explore further and patiently work on because when he has a few (rare) hours to kill, this father of two children loves puzzles!

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## PROFESSORS ANALYZE RESULTS OF MORIN POLL

Montreal LA PRESSE in French 4, 5 Oct 79

[Article by Richard Hamilton and Mauric Pinard, professors of sociology in McGill University]

[4 Oct 79 p A 7: "The Quebecois Are Not So 'Confused' As Is Said"]

[Text] The Authors

Messrs Hamilton and Pinard are professors of sociology in McGill University. They are the authors of various works on political sociology, and have written several articles for scientific magazines on the independence movement in Quebec and the rise to power of the Quebec Party (PQ).

The poll which they published on the eve of the 1976 provincial election and which predicted the defeat of the Bourassa government and the election of the PQ drew a great deal of attention from the analysts of the Quebec scene.

In most of the commentaries that have been made on the poll which Quebec's Ministry of Intergovernmental Affairs recently made public, there has been a tendency to sum up the results in one or two words: confusion and contradiction. At first sight, such expressions appear justified. The Quebecois electorate wants to maintain the federal bond with the rest of Canada, and at the same time, it says it is ready to give a mandate to negotiate sovereignty-association. In nearly all the commentaries that have been made on the study, this flagrant contradiction in the results has been stressed: the people are choosing two options that cannot exist at the same time. It becomes easy to conclude that there is confusion in this; these poor voters, men and women, do not truly understand what they are saying.

Nevertheless, it is possible to make another reading of the results, a reading that recognizes a greater spread of possible responses. Depending on the circumstances in which they find themselves and/or depending on their commit-

ments, the respondents can organize their responses in several different ways, each with its own logic. Two of these logical systems are already obvious in the convinced sovereigntists and the convinced federalists; they constitute two systems at the extreme opposite from one another. It is when one measures the population against these standards that a good part of it appears "confused," refusing to be classed unambiguously in one camp or in the other.

But a number of voters seem to operate within another system of thought. Some of them seem to accept sovereignty-association only on condition that it not entail any serious cost. Others, as we have seen, want changes in Quebec's constitutional status, but the changes that they desire represent something less than sovereignty with economic association; they see sovereignty-association simply as an initial negotiating position. Their refusal to support sovereignty-association, while at the same time favoring a mandate to negotiate it, is not a contradiction. It is a logical possibility, one that is confirmed by the data of the study themselves.

There are, to be sure, some voters who are "confused," according to the data of the study; they are operating on the basis of a false understanding of the facts. For example, 31.5 percent of the persons questioned believe that with sovereignty-association, Quebec would still have deputies in Ottawa. In a word, then, the hypothesis of "confusion" is not eliminated from the analysis that we propose to make of this poll, but it applies to a lesser degree than has been suggested so far.

In the commentaries that follow, we analyze with particular attention three specific aspects of the report of more than 400 pages made public by Claude Morin. These three questions relate to the tendencies of the constitutional options in time, to a discussion of the strength of the federalist attitudes, and to an analysis of the sense in which a number of voters consider the mandate to negotiate. In the course of the discussion, the presence and the importance of the logical systems which we have just mentioned should come out more clearly.

#### Tendencies in Time

First of all, we shall examine the tendencies in relation to a number of constitutional options, as manifested in time. How do the rates of support or opposition to these options compare with those obtained in previous studies in recent years?

As regards the independence options, the study made by the Ministry of Intergovernmental Affairs shows rates of support a little higher than those established by other polls in the last several years.

Thus it is that for the first time, attitudes favorable to independence appear higher than 20 percent (22 percent). The mean rate determined in 1977 was 19 percent, but since that time, and for the first time in nearly 20 years, there had been a slight tendency to drop, with mean rates of 14 percent in 1978



and 18 percent in 1979 (before the present study). However, it must be added that while 22 percent say they are favorable to independence in the present study, only 19 percent respond that they would vote yes in a referendum on independence. Furthermore, the opposition to independence is 72 percent, a rate quite closely equivalent to what has been observed since the election of the PQ, but higher than what was observed before that election.

As regards sovereignty-association, the favorable opinions and the positive-vote intentions are also relatively high: 41 percent and 37 percent, respectively. As regards opinions, this is at least equal to or higher than the various results obtained since 1977. The mean before this study was 36.5 percent. As regards the positive-vote intentions, the situation is the same, with a previous mean of 34 percent.

As regards the mandate to negotiate sovereignty-association, the previous studies show that 50 percent or less said they were prepared to give this mandate. This proportion is now 54 percent. But again since 1977, a majority of the voters who have made their choice (with the undecided excluded) have declared themselves favorable to the mandate. This proportion is now 64 percent.

Only other polls will be able to indicate whether the upward tendencies that we have just described are real or whether they rather reflect several singular aspects of the present study. It may be proper to note here that the very high rate of refusal to participate in the poll and the reasons for these refusals--people objected mainly to participating in a poll of a political nature--leave us perplexed about the representativeness of the sample. There is the risk that the most highly politicized are overrepresented. One also notes in passing that the report says absolutely nothing on a question which could prove important--the composition of the sample in terms of education.

If we now examine the federalist options, the present study reveals a rate of 61 percent in favor of renovated federalism. In the past, three polls have reported rates higher than this proportion and three polls have reported lower rates, the proportions at that time falling between 53 percent and 70 percent. The proportion of people favorable to renovated federalism is presently at 28 percent, as compared to rates falling between 20 percent and 34 percent in the past. Therefore, no clear tendency seems to be revealed here.

As regards the status quo, the situation is the same. Thirty-eight percent are favorable and 56 percent are unfavorable. The proportions obtained previously fell between 31 percent and 46 percent; the unfavorable opinion fell between 45 percent and 63 percent.

Finally, it would have been interesting to compare with those of other studies the results of the question asked of the interviewees to make a choice from among five options: the status quo, renovated federalism, special status, sovereignty-association, and independence. Unfortunately, the previous studies furnished only four options; the questions did not include the option of a



special status. A rigorous comparison therefore proves impossible. The fact remains that the results appear quite stable. Thus, 39 percent opt for renovated federalism, as against proportions varying between 35 percent and 44 percent in the previous studies. Similarly, 19 percent opt for sovereignty-association, as against rates varying between 14 percent and 21 percent previously. In any case, all the studies concur on one point: renovated federalism is by far the preferred option among the four or five options proposed.

In short, if the results of the present study were to prove valid and be confirmed by subsequent studies, the independence options would register slight gains at best, and the federalist options would be quite stable.

#### The Balance-Sheet of Federalist and Sovereigntist Opinion

One conclusion that emerges clearly from a reading of the report in its entirety and which few commentators have stressed is the unambiguous preponderance of federalist sentiment in the responses obtained. This conclusion emerges clearly from a systematic examination of the results. (In what follows, in order to facilitate presentation of the results, we generally give only two percentages: first, that of the "federalist" opinions, followed by that for the "sovereigntist" opinions. The difference between the total of these two percentages and 100 percent represents the undecided, refusal to respond, etc.)

Let us consider, for example, the sample of questions which follows. The respondents, who were to express agreement or not with a series of propositions, proved very federalist:

—"In the world, federalism is the formula of the future": 49 percent agreed, as against 32 percent disagreeing.

--"If the Quebecois had only a single government, it would cost them far less": 51 percent disagreed, against 38 percent agreeing.

—"It is impossible to renovate Canadian federalism sufficiently to satisfy the aspirations of the Quebecois": here 49 percent were in disagreement, while 35 percent agreed.

--In response to a precise statement on the benefits of a single government ("It would be advantageous for the Quebecois to be governed solely by the government of Quebec"), 57 percent rejected this assertion, as against only one out of three saying they agreed.

--A subsequent question came back to the same subject: "...do you think it would be profitable for the Quebecois to have a country entirely their own, or do you think that would be too risky?" Two-thirds found this proposal too risky, whereas only 26 percent considered it profitable.

--Also: "Generally speaking, do you believe that there are rather advantages or rather disadvantages for Quebec in belonging to Canada?" Advantages, 66 percent; both advantages and disadvantages, 13 percent; disadvantages, 16 percent.

--Similarly, the federalists will doubtlessly rejoice in the responses to the following question: "And what would you desire for Quebec: that it become a country distinct from Canada, or that it not be a distinct country and continue to form part of Canada?" Here, no less than 73 percent say they want Quebec to continue to be a part of Canada, whereas only 22 percent opted for a "distinct country."

--And what to say about this question: "It is good for the Quebecois to have to deal with two governments." Agreeing, 69 percent; disagreeing, 25 percent.

--The same tendency appears in another question: "Certain persons think that one can easily be both Canadian and Quebecois. Others think the contrary, that it is difficult. Do you yourself think that it is easy or difficult to be both Canadian and Quebecois?" "Easy" was the answer from 69 percent, as against "difficult" for 26 percent.

--In a series of questions, the respondents were asked to say whether they were favorable or unfavorable to each of five constitutional options, considered separately. As between renovated federalism and sovereignty-association, it is the former, as we have seen, that received greatest support, 61 percent being favorable and 28 percent unfavorable to it. The breakdown of the responses in the case of sovereignty-association was 41 percent and 43 percent, respectively. Incidentally, the least popular option by far was independence, with only 22 percent of people saying they are favorable to it, as against 72 percent unfavorable.

--The following question asked for a choice among these options: what is one's "No 1 preference for the future of Quebec?" Here too, the most frequent choice was in favor of renovated federalism (39 percent), followed by sovereignty-association (19 percent). In a subsequent question, one had to make an even more specific choice between these two dominant options only: "If, in the referendum, you were given the choice between renovated federalism and sovereignty-association, which of the two would you support: renovated federalism or sovereignty-association?" Here, percentages of 51 percent and 32 percent, respectively, were obtained.

It has been said of this study that it contains something for everyone. This "relativizing" conclusion is both correct and misleading. There is no doubt that there is something in it for everyone, but the quantity of data indicating either a plurality or a majority for the federalist option is far higher than the quantity of data favorable to the sovereigntist option; and the proportion is nearly 3 to 1.

Let us look at a sample case in which "sovereigntist opinion" dominates. Nearly half of the respondents believe that the government of Quebec should be "the only government responsible for the judges and courts in Quebec." (49 percent as against 43 percent), and a majority think that it should be "the only government responsible for the police forces operating in Quebec" (58 percent against 36 percent). But in contrast, in the same series of questions,

the results indicate that a majority think that the government of Quebec should not be "the only government that makes all the laws applying to Quebec" (54.5 percent against 41 percent), and a near-majority think that it should not be "the only government that collects taxes in Quebec" (49 percent as against 46 percent). A majority also reject the statement that the government of Quebec should "represent the Quebecois at the international level" (52 percent as against 41 percent).

Results favorable to the sovereigntist position are also found in a series of questions beginning with: "If sovereignty-association came into effect, do you think...?" Thus, 62.5 percent of the respondents think that "French would be more highly respected in Quebec," and three out of four believe that "the French-speakers would participate more in economic life." A relative majority (44 percent) do not believe that "unemployment would increase" (as against a third who believe so). Exactly half, however (as against 33 percent), think that "the cost of living would increase."

Nearly half (48 percent, against 30 percent) express agreement with the following statement: "Renovated federalism is fancy wrapping designed to present the status quo better." But on the other hand, one also finds a majority (59 percent as against 29 percent) believing that "sovereignty-association is a smokescreen to camouflage Quebec's separation."

The most positive result regarding those who hold to the sovereigntist option is the one that reveals a very high degree of support for the PQ's slogan, "d'Egal a Egal" [Among Equals]. Indeed, 83 percent say they agree with the statement that "Quebec should deal with the rest of Canada as an equal," as against only 10 percent who say they disagree. But it is far from obvious that subscribing to this slogan implies support for the sovereigntist cause. In fact, this result is partly contradicted by the results obtained with another question relative to a possible economic association: "If economic association were negotiated between a sovereign Quebec and the rest of Canada: ...would you prefer that in the joint institutions that would be created to administer the Quebec-Canada association, Quebec and Canada had an equal number of votes, or that their number of votes in these institutions be in the ratio of their respective populations?" To this question, a relative majority (45 percent) chose the latter approach, as against 37 percent who chose the "among equals" approach.

In summary, there is something for everyone, but for the sovereigntists, the menu is rather skimpy. The most important result in their favor--the one dealing with the mandate to negotiate sovereignty-association--will be examined separately and in detail below, in view of its importance and its complexity.

It will be noted that in the first series of results that we have presented, indicating "federalist opinions," there was always some support for the sovereigntist option, ranging between 25 percent and nearly 33 percent. This indicates that there is a "nucleus" of sovereigntists whose opinions are

neither confused nor contradictory, although only more intensive analyses could establish the parameters of this group.

In parallel, there is doubtlessly a group of solid federalists at the other extreme of the political spectrum. It is difficult to estimate its size, even approximately. But it may be thought that this group is at least as big as the other. The rest of the respondents, we presume, fall into two categories: a group that could be called the "tacticians," who seem to be looking for a middle way and who would choose their option in function of the personal costs that it could entail; and then there are those who cannot be described better than by saying they are confused.

[5 Oct 79 p A 9: "Morin Poll--the Mandate to Negotiate"]

[Text] The Authors

Messrs Hamilton and Pinard are professors of sociology in McGill University. The authors of various works in political sociology, they are especially interested in the independence movement in Quebec. The poll which they published on the eve of the 1976 provincial election drew a great deal of attention from the analysts of the Quebec scene: in it, they predicted the defeat of the Bourassa government and the accession to power of the Quebec Party.

The analysis of the Morin poll that they make for LA PRESSE differs somewhat from the commentaries made up to the present: the "confusion" and "contradiction" in which a good part of the electorate seems to find itself are only apparent. The responses to the many questions posed by Quebec's Ministry of Intergovernmental Affairs are dictated by a certain logic.

In the first part of their analysis, published in LA PRESSE yesterday, Hamilton and Pinard concentrated on three specific aspects of the report made public by Claude Morin. These three questions related to the evolution in time of the tendencies of the constitutional options, evaluation of the strength of the federalist and sovereigntist attitudes, and the sense in which a number of the voters consider the mandate to negotiate.

Today, they take up specifically the subject of the mandate to negotiate.

Although the majority of the voters do not intend to vote in favor of sovereignty-association, especially if there is uncertainty as to the outcome of the negotiations--which is the only realistic supposition--the results indicate that a majority would nevertheless be prepared to give the government of Quebec a mandate to negotiate such sovereignty-association. Here too, there is clearly an appearance of contradiction--unless certain voters had an under-



standing of these options and a logic which are not those of the most highly politicized people.

A more intensive analysis of the responses of those who appear to hold contradictory positions would seem to be essential here. But the report contains absolutely nothing under this heading. In the absence of such analysis, a long questionnaire such as the one used here always has a good chance of letting the cat out of the bag: other elements of information can guide us in our analysis.

One possible interpretation is that those who would give a mandate to negotiate without being favorable to sovereignty-association do not consider—contrary to what Levesque himself has declared—that giving a mandate constitutes support for the principle of sovereignty-association itself. According to this hypothesis, these voters rather consider that a yes to the mandate to negotiate will not result in the ultimate goal, but rather in a midway meeting of the negotiators, in which each side will first have accepted some compromises; and that in any case, at the end of negotiations, if they were to result in something, they will come back to the people for approval—even if the PQ's *de facto* intention is to come back to the people only if there is a failure of the negotiations, not if there is success.

Are there data in support of this interpretation? There are. First of all, a little more than two-thirds of the respondents who made a choice (54 percent as against 26 percent) would prefer that sovereignty-association be "a negotiating position on the basis of which the government could make compromises," rather than "a firm position from which the government could not budge." This desire exists even though a relative majority (49 percent) think that the government's position is a firm position; but there remain the one-half who continue to think that it is a negotiating position or who do not know. Isn't there a good chance that the former desire—negotiating position with compromises possible—predominates in those who express apparently contradictory voting intentions? Only a more intensive analysis of the data could supply a clear answer to this question.

In the second place, when the respondents were asked what a mandate to negotiate would mean, a clear majority, in three cases, and a relative majority in one case, gave a rather restrictive interpretation of the mandate. A mandate would mean:

--that the government could begin to negotiate (yes, 79 percent; no, 7 percent);

--that the government could not declare sovereignty from that moment (56 percent against 28 percent);

--that the government would have to come back to consult the people before any declaration of sovereignty (51.5 percent against 34 percent);



--that the agreement of the rest of Canada would be necessary before declaring sovereignty (45 percent against 37 percent).

Only one of the responses (given by a group just under a majority, and with a larger number of undecided) lends itself to a broader interpretation of the mandate, which would mean:

--that the government should negotiate association, but without giving in on the principle of sovereignty (49.5 percent against 26 percent).

In other words, there is a good chance that the respondents who appear to contradict themselves do not consider the vote for a mandate to be an approval in principle of sovereignty-association, but rather a starting position for negotiations which are still open to compromises. In any case, they would reserve their final choice for a second popular consultation following the negotiations.

On these two points, a good number of voters--and not only those who hold contradictory positions--seem therefore to misunderstand, since, in the view of the PQ, the mandate implies approval in principle, a firm position from which it could not budge, and since on the other hand, the population will be consulted again only if there is a failure of the negotiations.

Since we are probably heading towards a mandate-question on the occasion of the referendum, the problems that remain are the following questions: will the referendum concern a mandate to achieve sovereignty-association, or a mandate to negotiate it? The PQ's position, as adopted at its 7th Congress last June, looks far more like a mandate to achieve than a mandate to negotiate; in fact, the resolution adopted stipulates that upon obtaining a mandate, "the government commits itself to demand the return to Quebec of all the powers inherent in a sovereign state, and to propose to Canada the forming of an association of sovereign states with it...." This is in any case a firm position, not a negotiating position open to compromises. The poll unfortunately does not reveal what proportion of the voters would be prepared to support a mandate to achieve, as defined by the PQ resolution that we have just quoted.

In the second place, if the PQ, playing on words, opts rather for a question asking a mandate to negotiate, will the voters holding apparently contradictory positions maintain their decision to give a mandate, if the PQ continues to declare that this is a firm position, that a "yes" implies approval in principle of sovereignty-association? Only polls taken from the time when the question is made public to the end of the referendum campaign will be able to furnish the elements of an answer to these questions.

In summary, there are indications that certain voters are functioning on the basis of false premises; but they do not, for all that, commit themselves to precise contradictions. That some reason this way should not surprise us, given the complexity of the option proposed by the PQ and the ambiguities that it has not yet been able, or has not wanted, to dissipate.

It seems appropriate here to note a few supplementary data that confirm this high degree of ignorance and confusion in some voters, even, sometimes, on questions that are not in themselves equivocal:

—Although Quebec's demographic weight in Canada has been dropping for some 20 years, only one-third of the respondents are aware of this; one respondent out of five even believes that this weight is increasing.

—Nearly one respondent out of two (46 percent) believes that sovereignty-association means that "Quebec would remain in Canada without being a distinct country." Barely more than a third (38 percent) declare that this means "a country in itself, distinct from Canada." (No less than three-fourths--73 percent--actually desire that Quebec "not be a distinct country and that it continue to be a part of Canada.")

—Nearly one-third of the respondents (31.5 percent) believe that with sovereignty-association, "Quebec would still elect deputies to Ottawa," and 17 percent do not know. Only 51 percent know that it would no longer have deputies in Ottawa.

—Although this study contains nothing on the subject, a previous study by CROP [expansion unknown] revealed that whereas a majority of the respondents expressing an opinion were in favor of a mandate to negotiate (as in the present study), a majority of these same respondents declared that they would vote against such a mandate if the provincial and federal Liberals opposed it--a more than likely supposition.

All these data oblige us to conclude that before the referendum campaign does its recruiting for one cause or another, it will first have to be an immense campaign of information.

11267

CSO: 3100

## EX-MINISTER CLAIMS LO HAS UNDERMINED DEMOCRATIC PROCESS

Copenhagen BERLINGSKE AFTEN in Danish 5 Oct 1979 p 5

[Viewpoint: Extract from book, "Det uregerlige Danmark" (Ungovernable Denmark), by Ove Guldberg]

[Text] In the course of the last 10 or 15 years the labor movement has built up the strongest concentration of power in Denmark's history. The combination of labor unions, the Social Democratic political party, cooperative trade enterprises, tenants' associations, the social building societies, and various cultural and informational organizations taken together creates a bigger and more concentrated power apparatus than we had under the absolute monarchy.

Nothing above and nothing besides the Folketing is the official basis for the prevailing political system. Historically that is first and foremost the Liberals' and Radicals' line of thought. Even when the two parties are furthest apart, this common ground can be found if it is looked for. This is not equally a matter of course for all the democratic parties, and one cannot be sure that the rule will be interpreted in the same way under all circumstances, even by all parties that respect democracy as the common basis.

It should suffice that the parliamentary basis for a government must rest upon equal and universal suffrage, but that begins to cause difficulty as soon as it is a question of the relationship to the administration, and it is not unconditionally accepted by the Social Democratic Party with regard to the trade unions.

This is not peculiar to the Danish Social Democratic Party, nor is it anything accidental. All European social democrats use the same phrase when they define democracy. They do talk about equal and universal suffrage as the basis of power, but they do not content themselves with that. It is never mentioned alone, but always accompanied by the right to organize and to act by means other than the ballot.

When liberals accept this, it is on a par with other prerequisites for democracy--freedom of speech, freedom of assembly, etc.

The different concepts of what democracy really should be were brought out plainly when Spanish democracy was being established. When European politicians expressed themselves there was a clear difference in their way of speaking of it.

For the liberals the prime consideration was to hold free, universal elections under adequate safeguards and thus get a competent parliament, which could then take care of the rest, including constitution and division of powers. It was never possible to get social democrats to accept the idea that this could be said without in the same breath and on the same footing saying something about trade unions and their rights. That appears to the liberals as a part of democracy, but not on a par with an elected parliament.

Here lies the difference in Danish politics between the conditions for a liberal and for a social democratic political system. They are not alike. The division of power is not the same under the two kinds of majority. The voters do not have the same influence in the two cases.

We should have understood that in 1968. It is not a new discovery, after all. As long as there is identity between the Social Democratic Party and the LO [Danish Federation of Trade Unions], there are two kinds of popular election with different influence. It is not everybody that regards the Folketing as the highest authority. Nothing above and nothing besides the Folketing is not all-prevailing.

### Splits

Democracy has gotten out of balance. It should respect special interest groups and take them into account, but it should be the one group's defense against the other's tyranny. During the past decade there has been a constant shift of power toward the labor market organizations, and as between them, toward the LO. The opposition that is prerequisite to the autonomy of the two sides is now lacking. Within the LO itself, this position of power has led to the development of "private initiatives" that attempt to make use of the strength of the LO and the weakness of democracy.

It is possible that the actual change in the distribution of power is less than it seems, but in any case it has become more open and is acknowledged without shame. That is evidenced by several steps in the same direction.

Regardless of all afterthoughts about what would have happened at this or that time if something different had been done, there is no getting round the fact that a long decline in the influence and prestige of the Folketing and the elected majority began in 1968. A constantly greater control over economic policy came to reside outside the Folketing, both through the weakening of democracy and because extraparlimentary forces became stronger.

The splits in many parties and the numerous parliamentary elections are outward signs of this. The real cause lies in the voters' increasing realization that the way they vote has little or no influence on the legislature or the government.



It is a strange democracy that does not react to the outcome of elections. Patience and tolerance have their limits. If the people come to realize that there is some power apparatus or other that leads them in a mysterious way in the same direction no matter what they do, they will make trouble. It is like eating time after time at a restaurant and finding out that it makes no difference what dish you pick out on the menu. The same hash is served up every time.

Some go from dissatisfaction to passivity; others go from resentment to rage. That is one of the realities behind the Progress Party.

It has also led to a diminution of political honesty. It has always been true that political agreements are more subject than other agreements to an unspoken reservation such as "To the best of our ability." That is a necessary rule, but it presupposes that the parties to the agreement will do everything that can be reasonably expected to carry it out.

When the possibility is lacking, political agreements become empty promises, and gradually, as one becomes accustomed to that, the quickest-minded, at least, learn to insert impossibilities as part of their contribution to an agreement.

Side by side with this weakening of the Folketing, the LO has strengthened its hold on Danish politics, but at the same time it has had to fight against an internal weakness in the form of increasing independent action on the job market.

Ten years ago it would be considered necessary to listen to the labor market organizations and business organizations in all important economic matters and in legislation that particularly affects their interests.

Now there is practically no field which the LO, at least, does not feel justified in exerting an influence on. We got a grotesque example of this when the chairman of the nurses' union declared upon taking office that the members of her union must demand higher taxes on homes owned by the occupants. If the demand was not met, the patients could not be cared for.

The necessary opposition from the other side on the job market has been increasingly lacking. There was not enough strength there. The firms had enough to do with the troubles of the moment, and simply hoped to manage to survive.

#### Undermining

Politically the Folketing's four-year term has been replaced by the two-year term of the wage agreements. In an excellently coordinated collaboration and while maintaining an apparent separateness vis-à-vis the public, the Social Democratic Party and the LO advance their political and union demands regardless of whether they directly affect the job market or not.

They are not always in mutual agreement. There are sometimes problems within their teamwork. From time to time, too, they put on a show. When it is necessary to defend the long boundaries of the power concentration, a certain division of labor may be necessary. The population and the other political parties follow the debates between them with excited interest. In due time others will get a chance to choose one of the two possibilities or a compromise between them. It must be hard to sit and arrange such tactics with a straight face.

What cannot be pushed routinely through the Folketing is saved up until it can be included in a wage-agreement negotiation. If it is hard to reach agreement on the job market, the Folketing is put to work to deliver the necessary contribution, regardless of whether it is a matter for legislation or properly belongs to the sphere of labor and capital organizations and regardless of its effect on the innocent third party. That has to be found out later. In that situation everything slides downward.

With their backs to the wall organizations, special interest groups, and political parties capitulate, give thanks for the concessions, and say that it is better than nothing. A long line of political compromises are based on this.

Thus the unions have gotten the rôle of Santa Claus with bags full of presents. The politician is [his helper] Big Bastian, who puts the kids back in the inkpot just when they were having such a good time. But how long can democracy survive this?

This undermining of democracy has been going on not only in the field of legislation, but also in other fields that are essential parts of democracy. Under cover of dealing with employment matters, uncensored freedom is being invaded. Radio, TV, press, and public instruction, which should be free sources of information and debate, are regarded as the property and mouthpiece of the collaborators, and a minority seek to impose this point of view both on other employees and on the outside world.

As soon as a specific case is presented as an industrial conflict, it is accepted that the general rules of the game do not apply. Since the unsuccessful revolution in 1968 the attack on our political system has been pushed by infiltration of information, education, and cultural life. This is openly admitted by a small number of instigators. They have gotten many followers who believed it was a matter of freedom to organize and tolerance.

Quite parallel to this there has also been a considerable narrowing of the base of democracy. This is effected in the form of more or less acknowledged actions against firms and individuals. It is claimed that there is a greater freedom of action in the case of actions that are a part of the labor-and-management conflict than in other fields.

Exclusive agreements and physical blockades are outward forms. In practice they mean that compulsory organization is put before personal freedom and

economic freedom. Political freedom is hit indirectly by the fact that one can be forced to support politics and a party to which one is opposed.

The use of force is a prerogative of the authorities, but it is already accepted that the bounds of private use of force are broader when the force is exerted as a part of an industrial conflict. We have already reached the point of discussing whether this only applies when the industrial conflict is a matter of contracts or whether it applies to all trade union conflicts. Can illegal means become legal actions insofar as they are used for union purposes?

This is an entirely unacceptable restriction of personal and economic freedom. It is not uncommon to concede this, but it is true that more and more people feel that they are without elementary protection of their rights. Those who are most cowed even refrain from complaining. They dare not.

Is this putting it too strongly? It will undoubtedly be felt as unfair to many who have contributed to this development with the best of intentions, but it is also necessary to say that there are some in our society who feel it. And not without reason.

8815

CSO: 3106

## LO CONGRESS MARKED BY RETURN OF SOCIAL DEMOCRATS TO FOLD

Copenhagen BERLINGSKE AFTEN in Danish 12 Oct 79 p 10

[Reportage by Victor Andersen]

[Text] The LO [Danish Federation of Trade Unions] congress that ends today will go down in history as the place where the union movement and the Social Democratic Party were reunited. A slightly crestfallen prime minister returned to the fold, where he was accorded princely honors. At the same time the LO launched new political visions, as if it were a party more than a labor union. The only real labor union decision was a resolution calling for the establishment of a Labor Movement Analysis Institute. That, however, may become a very important tool both for the LO as a whole and for the individual unions. Here is an account of the reunion celebration in the labor movement.

The LO congress did not do too little. Indeed, a bit too much was done in certain situations. For example, when a spokesman for the printers' union presented proposals for the agenda, with accompanying justifications, entirely in the Christiansborg style and with an entirely political content --demands for import regulation, a value-added tax, and state take-over of the North Sea oil.

At such a moment--and there were several similar ones--the congress short-circuited, so that it was impossible to say whether it was a union movement or a political party that was holding a meeting. Another speaker rode along on the pseudo-wave when he pointed out that the 1,100 assembled there constituted the biggest parliament in Scandinavia. It appeared that he meant that they could pass anything they cared to--and get it carried out.

The real political event at the congress was something else. It was a reunion between the chairman of the Social Democratic Party and the chairman of the LO, between the party and the trade union movement. A somewhat crestfallen Prime Minister Anker Jørgensen put in a nice--and long--appearance at the opening of the congress and returned a few days later with a big--and fraternal--speech.



"Even though there are things that divide us, we are united on the fact that the party and the trade union movement are two sides of the same thing," he said. And later, "The others will not succeed--in spite of all the difficulties we are faced with--in making a breach in the labor movement."

Both before and after the speech he was honored with standing ovations, which have never been seen better done in the People's Great Hall. It was real pleasure at meeting again. From then on, several speeches at the congress ended with "A good vote for the Social Democratic Party."

### Fenceposts

Thomas Nielsen was cautious at first about cashing in on the increase in the LO's political strength that is represented by reunion with the Social Democratic Party. In his annual report he was almost excessively modest when he dealt directly with the subject of power: "An attempt has been made to give the people the impression that the trade union movement and the LO determine the conditions for the legislative power in this country. That, of course, is absurd," he said, and went on into a 3-hour speech that became more and more political.

He gave himself freest rein when he described the election-meeting characteristics of parties other than the Social Democratic Party. Concerning the Progress Party: "Please note that it calls itself Denmark's second largest labor party [Danmarks næststørste arbejderparti]. We can abbreviate that to [NSAP]." [The initials suggest "Danish National Socialist Workers' Party."]

The high point in Thomas Nielsen's big report to the congress was the invitation to a 4-year general agreement between the trade union movement, the employers, and the state to restore the balance of payments and employment. But since one of the LO's conditions for accepting its own idea is the demand for compulsory profit-sharing, which is the cause of the coming Folketing election, the proposal will probably have to be relegated for the present to the register of deeds to political castles in the air. But it was met with enthusiasm at the congress, as a sign that it is not the chairman alone that sometimes confuses the LO with a party.

Thomas Nielsen gave his general agreement proposal a metaphorical expression. "We shall remove the fenceposts," he said over and over. By that he means the fences that protect business's excess profits. These shall be removed so that there will be more for the employees. Although the imagery may seem a little far-fetched, it is evidently the LO's intention that fencepost removal shall from now on be its established slogan in the co-ownership debate.

### Metal Fatigue

The congress, of course, was not entirely devoid of trade union content. It is the "in" thing to talk about new structure, and the Danish Metal Workers' Union had taken it seriously that the 1971 congress recommended

industrial organization. The metal people now wanted to speed up that tendency. But they got quite firm instructions from both the Semi-Skilled Workers' Union and the Women Workers' Union not to go too far.

In industrial organization everybody--both men and women, both skilled and unskilled workers, smiths, electricians, painters, and so on, that works in the same branch of industry--is organized in one and the same union. The industrial organization idea is in sharp contrast to the structure that has prevailed hitherto, in which workers are divided up according to function, or in fact according to the old guild system--the bakers, the smiths, and so on.

With conversion to industrial organization the giant unskilled workers' union, the Semi-Skilled Workers' Union, and the Women Workers' Union as well would be so spilt up that they would actually die. For that reason it is not to be wondered at that the chairmen of the two trade unions, Knud Ellegaard and Ruth Løjbert, rejected the metal-workers' proposal. They were, as one speaker phrased it, quite metal-fatigued.

Metal tried a little to scoop the others, by, for instance, quickly calling a meeting in the corridor. As Georg Poulsen, the metal-workers' chairman, said, "The women are complaining that they get paid 4 kroner less an hour than the men. Is there any better argument for going over to industrial organization?"

It is a good guess that nothing real will be done in the matter for the next 10 years.

#### New Institute

On the other hand something is being done along another line. The Semi-Skilled Workers' Union had proposed to the congress the establishment of a Labor Movement Analysis Institute, and the idea met with such a good reception that it will undoubtedly come to something.

The institute will be staffed with national economists, management economists, and accountants. The labor movement, while a large majority of its members (75 percent) have only 7 years' schooling or less behind them, has the economic strength to buy whatever expert assistance it cares to equip itself with.

Institutes of the same kind are known in the United States, where they have performed minor acts of magic. If a firm is going badly, the labor union's experts stroll in and propose this or that change. In the course of time they have saved quite a few firms and thus saved the jobs involved.

If ØD [economic democracy] gradually gets a foothold here in Denmark, an analysis institute of that kind will be indispensable in that connection, too.

One thing the institute can engage in right away is training workers' representatives on the company boards of directors. Not all of these

representatives are entirely up to date on such concepts as degree of coverage and price-earnings ratio. The institute's specialists can give them the strength away from home that they need.

One problem for the analysis institute may be the possible rivalry between it and the Labor Movement's Economic Council. An attempt will be made to prevent that by a heavy-handed confrontation from the start, for they are to occupy the same house--Reventlowsgade 14.

#### Obligation of Secrecy

With regard to the representatives on the company boards of directors, it was clear that the congress was hampered by an obligation of secrecy to which this was subject. Strong LO pressure for relaxation of the rules can be expected. If that does not happen it is to be feared that the obligation of secrecy will come unstuck to a certain extent, and this will tempt the other members of management and the boards of directors to indulge in secretiveness. Not a bright prospect for a well-meant law.

The congress also demanded increased union knowledge of technical development. Labor does not want to see technological unemployment spread, and will again present the demand for an agreement on technology, which was rejected at the time of the last wage-agreement negotiations.

The congress also had its brighter and more festive moments. Among them was the first distribution from LO's cultural fund. Among the recipients of amounts in the thousands of kroner class were the directors of the film on the Berlingske conflict ("The 141 Days") and the film on the scaffolding workers' conflict. In future conflicts of a similar nature a number of film directors will be allowed to view the scene, since the LO intends to continue handing out conspicuous amounts.

The congress worked energetically and perseveringly. We can send word to those at home that the breweries did not lose money during the days when the congress was in session. But as soon as anybody was on the platform the delegates' tables were crowded with listeners. The desire to speak ran high--88 contributions in all. And there was no lack of attention. Both fine and coarse nuances were appreciated--as when a spokesman of the slaughterhouse workers confessed that in his union there was no sex life except on Sunday morning, when there had been two nights to rest up from the weekday grind. Or when Bent Nielsen, secretary of the LO, was stopped in his speech by the red minute lamp on the speaker's rostrum and left the podium with the words, "Now I, too, am being thrown out by technological development."

The congress was really tone-deaf only when the Ruth Løjbert, chairman of the women's union, tried to sell them the idea of a week's "paternity leave" for men. Nobody cared to hear about that. Mrs Løjbert raised her voice, but so did the congress in the form of murmured consultations around the tables.

A congress is also something of a bazaar. The gold and silver workers' cooperative society Karat A/S meets beside a stand and does a good business during LO congresses. Souvenir gifts are taken home, more of gold than of silver.

It is also an occasion for dressing up a little for each other. The LO world has begun to have its dandies and also its smartly-dressed women. A single delegate in a bricklayer's blouse stood out rather conspicuously, but was quite popular with the TV reporters.

All in all, it will be found when the congress ends today that the trade union yield was fairly thin. The analysis institute is an important new creation. The thing that will go down as the congress's image in history is its character as a reunion celebration in the labor world between the party and the trade union movement.

In addition, the congress offered new visions of how the LO wants society remodeled and structured. Behind the dreams there were also quite strong warnings that that is the way the LO wants it to go. The Folketing got a signal--with a fencepost.

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CSO: 3106



## NEW MEMBERS CHOSEN FOR LO'S EXECUTIVE COMMITTEE

Copenhagen INFORMATION in Danish 13-14 Oct 79 p 5

[Text] The only non-Social Democrat put forward for the executive committee got 200 votes and was not elected.

The LO's top leadership, the executive committee, has acquired four new members. The four are Poul Christensen, SID [Special Workers' Union in Denmark]; Ruth Løjbert, Women Workers' Union; Hans Jensen, HK [Danish Union of Commercial and Clerical Employees]; and Bodil Mogensen, Domestic Workers' Union. The four replace Max Harvde, who was elected Thursday as Head Treasurer of the LO; Toni Grøn, formerly of the Women Workers' Union; Ruth Kristensen, formerly of the Domestic Workers' Union; and the late Erik Bording, SID. The new executive committee thus has exactly the same unions represented as the one that held office before the congress.

From now on the LO's executive committee consists of the following 16 members elected by the congress:

Knud Ellegaard, SID.

Ruth Løjbert, Women Workers' Union.

Anny Bengtsson, Clothing and Textile Workers' Union.

Henry Hansen, Carpenters' and Joiners' Union.

Agner Christensen, Painters' Union.

Erik ToxværdNielsen, Slaughterhouse Workers' Union.

Aage Andersen, Danish Post Office Union.

Bendt Jensen, Bricklayers' Union.

Georg Poulsen, Metal Workers' Union

Jørgen Knudsen, Municipal Workers' Union.

Svend Fønsskov, Machine Operators' Union.

Bodil Mogensen, Dom. Workers' Union.

Walter Rasmussen, Wood Workers' Union.

Hans Jensen, HK.

Børge Aanes, Railway Workers' Union.

Poul Christensen, SID.

The other members of the executive committee are Thomas Nielsen, chairman; Knud Christensen, deputy chairman; the treasurer, who as of 1 January will be Max Harvø; and the three LO secretaries Svend Bache Vognbjerg, Verner Sørensen, and Inga Olsen. Besides these the top leadership of the LO includes two members selected by the Social Democratic Party. At the present time these are Poul Dalsager and Kjeld Olesen.

Harry Osborn

The only non-Social Democrat put forward for the executive committee was the blockade guard Harry Osborn, chairman of the bricklayers' union in Copenhagen and member of the DKP [Danish Communist Party], who got 200 votes. For purposes of comparison it may be mentioned that the member elected to the executive committee with the smallest number of votes was Poul Christensen, deputy chairman of the SID. He got 599 votes, while the chairman of his union, Knud Ellegaard, got the highest number of votes --982. In the DKP Harry Osborn's vote is characterized as "very satisfactory."

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CSO: 3106

## LARSENISTS URGE SUPPORT FOR SOCIAL DEMOCRATS

Copenhagen BERLINGSKE TIDENDE in Danish 12 Oct 79 Section II p 1

[Commentary by Solveig Rødsgaard]

[Text] The Larsenists are on the move. After several years in public obscurity, they are making a political push that will embarrass their former party, the SF [Socialist People's Party]. Precisely the day that the SF has its presentation program on TV.

Sigurd Ømann, Kristine Heltberg, Henning Philipsen, Poul Dam, and Kurt Brauer, with Poul Dam as the actual writer, are working out a statement that will be distributed in the Folketing to those interested. They will ask the voters to rally around the Social Democratic Party in the elections to the Folketing, but will not commit themselves in advance to voting the Social Democratic ticket. "We have not become Social Democrats," they say.

The appeal to vote Social Democratic can reach the voters only through the good will of the press, the Larsenists admit. They cannot afford advertisements. But the good will is there, partly because Anders Uhrskov resigned membership in the SF the other day.

Since the five Larsenists left the Folketing at the time of the February 1977 election after a long fight against the SF's theoretical turn to the left, their private and political life has not been a bed of roses.

They resigned membership in the SF and, with other disappointed members of the SF, founded the Socialists' Debating Society, which publishes a little paper called UNDERVEJS [In Transit] with 400 to 500 subscribers. The debating society has a little office in the Youth House on the Rømersgade, where present and former members of the SF, including Morten Lange, former university rector and former MF [member of the Folketing], meet and discuss the situation and "give each other inspiration." The meetings take place weekly or fortnightly, and the clientele varies. There has just been a week-end rally in Jutland.

The name Larsenists really covers all participants in the Socialists' Debating Society, and they got the name, of course, from the fact that during the showdown in the SF they stuck to the political ideas of Aksel Larsen, the founder of the party. It was Aksel Larsen who said that one should not raise the flag so high that one's feet don't touch the ground. They are referred to by the present SF as rightists. But the real, original Larsenists are the five former members of the Folketing.

Former party chairman Sigurd Ømann, 56, was in the Folketing 11 years and then returned to his position as *ekspeditionssekretær* [literally "departmental secretary"; a rather high rank in the government service] in the National Tax Court.

Kristine Heltberg, 55, was in the Folketing nearly 6 years and was also able to return to a good job. She is professor of Slavic languages and literature.

Poul Dam, 58, was a member of the Folketing almost 13 years and was one of the best debaters. He was formerly a high school principal and now lives on his earnings as a lecturer and writer.

Henning Philipsen, 55, entered the Folketing in 1971. He is a qualified blacksmith and was for a short time chairman of a building workers' union. He is now unemployed, but works off and on as a consultant to the LO [Danish Federation of Trade Unions].

Kurt Brauer, 42, was elected to the Folketing in 1968. He is a printer by training and was unemployed until recently, when he took over the tavern "Færgescafeen" on the Strandgade on Christianshavn.

#### Vacuum

Now and then rumors are heard that the five Larsenists want to found a new party. But today that is not first on the agenda.

But as Kurt Brauer says, "Some time or other the vacuum that was created when the SF began to stick to the left will be filled. Whether it will be us or the next generation that founds a party I cannot say. I hope we can create such a climate and such an analysis of society that something can be done. For something must happen after Anker Jørgensen has been pushed into the arms of the rightist forces.

"As it is today, the left wing has become so theoretical that it has no influence. On paper the principles are fine, but rents have not been lowered as much as 10 øre for the voters they are talking about. The Danish workers want bread in their cupboards. We want an honest socialist movement, and that involves making compromises. One of Aksel Larsen's great feats of genius was when in his time he forced Krag to turn against the SF."

Kurt Brauer recognizes that the departure from the Folketing and the break with the SF meant a period of decline for most of the five.



"But no, I have not regretted it. I didn't even feel a twinge when I was back in Christiansborg for the first time about 9 months ago. And I can chat quite comfortably with Gert Petersen, because I know him and regard him as a nice fellow. We don't get into big discussions, because he knows I am wrong and I know he is wrong."

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CSO: 3106

## JØRGENSEN SEES LITTLE LIKELIHOOD OF COOPERATION WITH SF

Copenhagen INFORMATION in Danish 12 Oct 79 p 5

[Text] "But they may be wiser after the election," says Minister of Labor Auken.

The Social Democratic Party's main problem with cooperation with the SF [Socialist People's Party], according to Minister of Labor Svend Auken, is that the SF insists on the introduction of an import tax, which in the minister of labor's opinion would set off a commercial war.

Indirectly, both the minister of labor and Prime Minister Anker Jørgensen confirmed at a press conference Thursday that the SF's theoretical objection to pursuing an income policy need not have great practical significance.

For it is the plan of the Social Democratic Party to put through a voluntary agreement between the government and the two sides of the job market on a limited wage increase.

That agreement itself will not be approved by the Folketing, but the agreement will certainly embrace the carrying out of a number of legislative proposals, such as profit sharing, tax revision, measures against capital gains, etc. But this involves legislation on which it is hard to imagine the SF voting against the government.

## Point to Anker

At the press conference Anker Jørgensen said, in a run-through of the left-wing parties, that he had been pleased to note that they wanted to "point to Anker," but he did not think that would be any use. "At least not the VS [Leftist Socialist Party] and the DKP [Danish Communist Party], and I don't really rely on the SF."

When the prime minister was reminded that no income-policy solution as such would be voted upon in the Folketing and was asked where he expected to have special problems with the SF, he answered simply, "We must wait and see."

Then the minister of labor broke in and, as mentioned above, strongly attacked the SF's ideas about an import tax, which Auken said would immediately reduce real wages and threaten Denmark's credit rating.

"But on previous occasions we have seen people become wiser after an election, so I agree with the prime minister that we must wait and see," said Auken.

#### Bitter With the Sweet

Anker Jørgensen was also asked whether he will be prepared, as Ivor Nørgaard, minister of environmental affairs, told INFORMATION Thursday, to carry out a social contract with a shifting majority in the Folketing.

"If a Social Democratic minority government is set up after the election," the prime minister said, "that will be our duty as long as it is possible at all to achieve unity on the solutions. There will be parties that are ready to take the bitter with the sweet.

"We want the greatest possible unity, but I cannot guarantee that it will come to pass in all possible areas. The essential part of the economic policy should go through with more or less the same parties.

"But now we are about to have an election, and then we shall see how things turn out."

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CSO: 3106

COMMENTATOR: 'U.S. NOT LEADING MILITARY POWER OF WORLD'

DW141045 Frankfurt FRANKFURTER ALLGEMEINE in German 14 Nov 79 p 12 DW

[Article by Adelbert Weinstein: "Sliding into Finlandization?"]

[Text] The foreground of the scenery is bizarre. The world power America is being humiliated by Persia, but Washington keeps quiet. What would have led to war in earlier times is being accepted today. The great industrial nations follow the dictates of the oil countries eagerly. Once one would have threatened with cannons, now one is bending over backward. The Soviet Union threatens the Western world. Brezhnev assumes the role of a referee with regard to the permitted degree of rearmament. But the American President keeps quiet and the NATO countries react nervously.

The Atlantic world is in a crisis. More exactly, its defense policy is in a crisis. The consequence is insecurity in the wide field of politics. What is the reason? The answer is as simple as it is baffling: The United States is not any more the leading military power of the world. The Soviet Union has caught up with it. It is even about to make America hold second position as a military power. That has grave consequences for the defense system of the West.

Since the coming into existence of the Atlantic Alliance we consider security policy as a strategy of deterrence. According to the American approach it means setting up and preserving a military balance of strength that will permit no side to score a victory. That deterrence strategy has a political core: The horror of annihilation must be equally distributed among the possible adversaries. The balance of terror is supposed to avoid war. The decisive means to preserve this situation are the strategic nuclear forces of both sides. Nuclear arms thus have become political arms. Since NATO has been mapped out as a strategic entity, the nuclear potential does not belong merely to the Americans. It belongs to all allies. So NATO is an atomic-political as well as a conventional-political collective. That construction in the past has given the alliance strength and stamina.

Both things are endangered now. Due to the loss of America's nuclear superiority, the thesis of the Atlantic nuclear entity can be hardly maintained. The arsenal of strategic arms systems at the disposal of the United States



just suffices to deter the Soviets from attacking the American continent. If one compares the figures of SALT II, one cannot avoid realizing that. The pleasant--although macabre--calculation that we can live (relatively) safely despite conventional inferiority in the protective nuclear shadow of American strategic deterrence arms, does not work any more.

So far it could be assumed that a Soviet tank attack at Central Europe is impossible because it would necessarily touch off all mechanisms of the Western deterrence strategy, but now it must be feared that the Americans will first think of themselves. It means that the "Atlantic Collective" possibly would not react any more with its conventional and simultaneously with its strategic-nuclear component. The fear of equally distributed terror that has been produced so far, has been dangerously decreased in its value as an incalculable security factor.

But we must also accept an additional intimidation: The Soviets have so-called "Eurostrategic" arms. These are mainly missiles that are supposed to be medium-range missiles. They are allegedly incapable of reaching America, so they are not subjected to strategic arms limitation. But they could destroy Europe.

This reality cannot be changed overnight. Even if the alliance shows great determination to set up a nuclear counterpotential, 2 to 3 years will elapse before parity will be reestablished, a parity that is the only means to maintain a nonwar situation in the long run. In the meantime the Soviets can exploit their favorable psychostrategic situation. They can maintain their lead over the nuclear power America. They are tempted to do that because of the policy the United States has pursued in past years. Simultaneously the Russians can increase their superiority in "Eurostrategic" arms. The weak European reaction to the introduction of Soviet SS-20 missiles is almost an invitation for Moscow to pursue a policy of strength.

All that means for the West that the currently valid deterrence strategy is becoming militarily and politically incredible. American analysts of the nuclear age therefore are being haunted by a sinister vision: Europe will turn away from the "Americanization" of the past 30 years and gradually slide into Finlandization in the next 30 years. A change can be achieved only through the political will to follow a strategy that is not fatalistic. In order to do that the leadership of the world power America is needed together with the preparedness of its allies to bear all burdens together.

CSO: 3103

## FRG PAPERS COMMENT ON U.S. EMBASSY OCCUPATION IN TEHRAN

Cologne DEUTSCHLANDFUNK Network in German to East and West Germany 0605  
GMT 10, 12, 13 Nov 79 DW

[Press review on Iran situation]

[DW120826 10 Nov 79]

[Text] The daily DIE WELT makes the following comment: The struggle for a solution of the hostage drama of Tehran is entering into the decisive phase. The hopes for the sense of the blackmailers and for the lives of the blackmailed people are linked with the mediators, with the people who are prepared to mediate. The Pope, the United Nations organization, the European community, Turkey--these are voices of international weight which seek to penetrate the warped whole of ideas of Ayatollah Khomeyni, a world which is dominated by calculated fanaticism. And then there is, of course, the hope for the political deal which PLO Chief 'Arafat can figure out for himself. The Americans as suppliants to 'Arafat who is to soften the old man in Qom--this is a macabre act in this drama even if we cannot but wish the PLO leader success in this venture.

FRANKFURTER RUNDSCHAU states: By occupying the U.S. Embassy the followers of Ayatollah Ruhollah Khomeyni have ignored all international rules. This is a serious matter since this action is backed by the will of the representatives of new Iran. The Islamic republic is maneuvering itself out of the community of states through measures against diplomatic representations which are protected by international conventions. Principles of international law either apply to all or to nobody; one cannot abolish them as one sees fit. The situation is also serious for President Carter's U.S. administration, however. Its inaptitude to act is alarming, and this time it is not even self-made. On the other hand there are neither means nor addresses for diplomatic demarches. A superpower just cannot be more helpless.

STUTTGARTER ZEITUNG notes: The occupiers of the U.S. Embassy in Tehran already have accomplished one goal, albeit one that had not been planned: Even though they have rejected any mediating action by the Palestinian Liberation Front, the mere readiness to mediate has helped the PLO gain essential upgrading in the United States. Let us recall the following:

Barely 3 months have passed since Carter's UN ambassador Young had to resign because of unauthorized contacts with PLO representative Terzi. His talks were politically sensible, yet they lacked the supreme blessing; they were made too early. In Tehran, however the United States currently is in a precarious situation which does not allow it to be particularly choosy about mediators.

In conclusion a quotation from the MAINZ ALLGEMEINE ZEITUNG: Ayatollah Khomeyni, obviously driven by hybris and religious madness for power in these demonstrates not only the impotence of a world power but also the helplessness of the United Nations. Even though Persia has also signed a UN convention on the special protection of diplomats, it goes unpunished for throwing the diplomatic immunity clauses of the world organization to the feet of a wild mob. Just as in the case of the violation of the human rights guaranteed by the UN Charter in other parts of the world, in this case, too, the moral and executive authority of a world institution is lacking which might make brutes like Khomeyni see reason.

[DW120841 12 Nov 79]

[Text] WIESBADENER KURIER writes: Iran is practically isolated internationally since the storming of the U.S. Embassy in Tehran under violation of international law and the taking of about 100 hostages. Only the Palestinian Liberation Organization PLO, eight months ago a decisive auxiliary force of the Persian revolution, still believes to be in a position to achieve a positive outcome of the evil developments in Tehran. Naturally in exchange for respective remuneration: PLO recognition by the United States.

HESSISCH-NIEMERSAECHEISCHE ALLGEMEINE of Kassel notes: There is probably no hope to convince the aging Shiite leader that in breaking diplomatic intangibility Iran has isolated itself from the community of the peoples. Rights and morals seem to be strange qualities for Khomeyni. All he understands is the language of power. It was therefore unavoidable for the Americans to give up the policy of endurance and toleration and to intensify pressure below the level of military intervention. Parallel, however, President Carter exploits all diplomatic channels to free the hostages without sacrificing the shah. In doing this, PLO Chief 'Arafat could play a key part. If he succeeded in making Khomeyni agree to a compromise, the Palestinian organization would be suddenly upgraded politically.

RURH-NACHRICHTEN of Dortmund maintains: International moral isolation seems to drive the ayatollah always deeper into his fanaticism. Must the United States give in and extradite the Shah? It cannot do that if it does not want to lose its self-respect as well as the respect of the world. It cannot do it unless it wants to introduce blackmail in the international game of big powers. So there remains just the attempt to embark on the way of diplomatic mediation. In doing this one must hope for the Palestinians. The PLO is probably more likely to be listened to by Khomeyni. Simultaneously it will have the chance of demonstrating with good services for the

United States that it has given up terrorism, thus committing Washington to the PLO.

NEUE RUHR-ZEITUNG of Essen discusses the situation of Germans in Iran: The news was fearfully expected for days--now the ambassador of the Federal Republic in Tehran decided to advise the Germans staying in Iran to go home. The embassy of our country is not convinced any more to be able to carry out its protective tasks. So far it succeeded doing it despite everything. In Iran where more than 10,000 citizens of the Federal Republic have been working temporarily, the ayatollah now threatens to expel foreign ambassadors. Our man in Tehran probably would be among them.

RHEINZEITUNG of Koblenz notes: The Germans in Tehran have heard the signal of their ambassador in Tehran. Gerhard Ritzel, a circumspect and cool diplomat, advises all to leave the country as long as their cooperation is not needed. Gerhard Ritzel, a good friend of the U.S. ambassador and an expert of the history and the stories of Iran not just since the beginning of the crisis in September 1978, managed so far to calm down his more or less alarmed compatriots. Now, however, he is abandoning his personal and diplomatic restraint and alarming the public. The signs in Tehran indicate a storm.

[DW130903 13 Nov 79]

[Text] RHEINISCHE POST of Duesseldorf writes, among other things: The irrational is celebrating real triumphs in Iran. Civilized mankind has more and more the feeling of gloomy resignation. There have been many horrible acts of terror in the lives of the people, bloody and bloodless coups d'etat, but there was probably never a foreign minister who emerged from a revolution and who did not only fail to condemn the taking of hostages of a foreign representation in his country, but who even justified it to the ambassadors of all the world. Bandi-Sadr of the Tehran Revolutionary Council, who was appointed foreign minister, did not want to calm down the excellencies from 65 countries which are still represented in Iran, he wanted to win them over during the audience to take part in Ayatollah Khomeyni's blackmailing maneuvers aimed at the helpless world power, the United States. The deeds of mortally sick despot Reza Pahlavi, which were certainly not glorious, fade away in the memory of the people compared with the activity or inactivity--if one views the occupation of the embassy--of the present Iranian Government.

STUTTGARTER ZEITUNG deals with the reaction of the United States: Official America is still calm. While President Carter urges his compatriots to remain calm and demonstrates himself almost admirable discipline, the columns of American papers containing letters from readers continue to swell more and more. They announce the suppressed anger of hundreds of thousands of people, and not just those living, with regard to developments unleashed by Ayatollah Khomeyni's blind fanaticism in his country. Politically it means that it is becoming more and more difficult for the pitiable President in a tragic situation to maintain the right standards.



NEUE OSNABRUECKER ZEITUNG comments: President Carter's decision not to buy any more oil in Iran will hit the Americans harder than the Tehran government. Energy will become more expensive in the United States, further conservation measures will become unavoidable. Carter accepts this so that he can send an even clearer signal to the people who have instigated this and who have taken the hostages in the Iranian capital. He wants to demonstrate determination even at the expense of disadvantages. But this purchase halt will not bring about a change in the hostage drama. The oil the United States will not buy from Iran will soon find other customers. Carter's action would have a chance to be successful only if the countries of the West were to join that boycott. But the American President cannot hope for that.

CSO: 3103

PRESS DISCUSSES IRANIAN DEVELOPMENTS

DW140845 Cologne DEUTSCHLANDFUNK Network in German to East and West Germany  
0605 GMT 14 Nov 79 DW

[Press Review on Iranian Developments]

[Text] SUEDEDEUTSCHE ZEITUNG in its editorial deals with the decision of U.S. President Carter to discontinue the import of Iranian oil in view of the Tehran hostage drama. The paper writes: It is futile to ponder whether Jimmy Carter was the first to stop oil imports from Iran, or whether Khomeyni's revolutionary council had first decided on an oil embargo against the United States. Be that as it may, Carter's wise and courageous decision to renounce about 10 percent of the oil imports of the United States that depends so much on oil, demonstrates to the world that there are limits to blackmailing the American society. Carter left no doubts that it is unacceptable for the United States to extradite the Shah to Iran under the pressure of the hostages taken. His steadfastness seems to impress even Iran.

HESSISCHE NIEDERSAECHSISCHE ALLGEMEINE of Kassel sees a changed attitude of the Tehran rulers: The members of the revolutionary council for the first time altered their unconditional demand addressed to the United States to extradite the sick former Shah to Iran. Some slight detente seems to have taken place in the poker game for the fate of the 100 hostages. It is also unacceptable for Washington, however, to comply with the request of the Khomeyni regime to declare the Shah a criminal and have him interrogated by an international delegation. But it probably signals Tehran's preparedness to give in carefully. It remains still unclear for what price the hostages could be set free.

BRAUNSCHWEIGER ZEITUNG writes: The different reports on the changed prerequisites under which the Ayatollahs possibly would be prepared to set free the hostages reflect the entire confusion in Iran. It is obvious, however, that none of the new demands to the address of Washington seems likely to be fulfilled by the U.S. government. They all amount to a breach of valid law and to an international humiliation of the big power America. Carter will not accept that because of the broad agreement of the American public to his oil boycott against Iran.

FRANKFURTER ALLGEMEINE ZEITUNG views the domestic political consequences this will have for the United States. President Carter with his decision to stop oil imports from Iran has done just the right thing in the eyes of the people. The politicians of all countries applaud. The allies of the world power sigh with relief. Eventually there was some action. The taking of hostages long ago ceased to be a foreign political problem on the solution of which a hysterical government was quarreling with a rational government. The political accent of the situation was not even on Tehran, the place of the tragedy, but on Washington, on the White House. The paper goes on to say: The Americans know that the renunciation of oil will have consequences for every individual and for the economy of the industrial nation that depends so much on energy. Despite all the organizational capabilities of the Americans an irrational element clings to the oil embargo. That is exactly what makes the decision a political affair, says FRANKFURTER ALLGEMEINE ZEITUNG.

CSO: 3103

## BONN SUSPECTS ISRAELIS OF DISTURBING CONTACTS WITH PLO

DW121224 Hamburg DER SPIEGEL in German 12 Nov 79 pp 26-27 DW

[Text] Bonn authorities assume that by their interrogations of Palestinian inmates in Bavarian prisons the Israelis intend to disturb the good contacts of the Federal Criminal Investigation Office with the PLO.

In the Foreign Ministry in Algiers and in Bonn's Federal Ministry of the Interior at Rheindorfer Strasse experts discussed the same subject; the background of the Bavarian prison scandal in which members of the Israeli intelligence service had interrogated Palestinian inmates under pretrial detention.

Independently of each other Germans and Algerians arrived at the same finding. They assumed that what mattered to the Israelis was not only to obtain information from the detained Palestinians. They are now also interested in exploiting the developments in Bavarian prisons to the disadvantage of the German-Arab relationship.

For Jerusalem is observing with an alert suspicion that relations between Bonn and the Arabs, and in particular also with Yasir 'Arafat's Palestinian Liberation Organization, PLO, lately have become constantly more intensified.

Bonn security experts assume that the Israelis disseminated the information that the Federal Criminal Investigation Office (BKA) had arranged for an official PLO representative to have access to Palestinian Salim Seyaan incarcerated in Straubing.

Interior Minister Baum and the BKA subordinate to him, which according to the interior minister had nothing to do with the intelligence-service affair, now were to be just as much involved in the dubious affair as the Federal Intelligence Service (BND) and the Bavarian Land Criminal Investigation Office had been before which had arranged the contacts of Israeli agents with Palestinians in pretrial confinement.

By this the Israelis had intended to arouse the impression in the public that the BKA had cleared the road into the cell for an accomplice of the four Palestinians arrested for planned blasting attempts.



The truth, however, is different. While the interrogations of Palestinians in pretrial confinement by Israeli intelligence-service agents had been clearly illegal, the visit of the PLO representative to Salim Semaan, whose sentence has become legally valid, was made strictly in accordance with regulations and in keeping with the rules of international consular affairs.

The Israelis did not like the fact that the PLO man was treated like the member of a state, since they want to prevent the liberation organization's international recognition with every means at their disposal. Meanwhile, the BKA has found out that they themselves had promoted the upgrading of the PLO in the Federal Republic--through another intelligence-service intrigue.

In January 1979 an Israeli agent by the name of Erika Maria Chambers participated in Beirut in an attempt on the life of 'Arafat's adopted son Salameh, a suspected wirepuller of the Munich olympic massacre. Earlier the Israeli intelligence service had accommodated this lady in Wiesbaden near the Federal Criminal Investigation Office, and in Cologne near the headquarters of the Federal Office for the Protection of the Constitution, for several years. The purpose of the whole thing: The PLO was to believe that the BKA and the Office for the Protection of the Constitution had been involved in the plot against Salameh.

The plan failed. In Beirut Palestinians and investigators from Wiesbaden worked hand in hand in the clarification of the plot--and thus created the foundation for a secret agreement between the PLO and the BKA concluded in spring. The Palestinians, who are careful about their international reputation, therein agreed with the Germans on a sort of truce for the territory of the Federal Republic and besides agreed on close cooperation in the struggle against German terrorists.

The PLO swore that it would gradually surrender all German terrorists on which it can lay hands in its sphere of influence. The investigators in Bonn and Wiesbaden were quite optimistic that this agreement would help them seize the suspected terrorists Rold Dlemens Wagner, Brigitte Monhaupt, Peter Juergen Boock, and Sieglinde Hofmann who had been released from Yugoslavia and possibly proceeded to the Middle East.

Then in late April the arrest of the four explosives-handling Arabs caused by the Israeli intelligence service exploded in this German-Palestinian idyll. But it soon turned out that doubts about the reliability of the PLO were unjustified, that 'Arafat, hence, did not want to violate the truce. For BKA investigations revealed that the quartet involved "flipped-out PLO people" who were planning "a proof of performance in a lone action" without instructions from the top.

The good relationship between the BKA and the PLO also proved its worth when one of the four, the very Salim Semaan, in letters and notes partially

intercepted called on his fellow fighters to liberate him forcibly and, besides, called for bombing attempts in the Federal Republic.

BKA Chief Horst Herold called on the PLO for help. Quite in the spirit of the secret agreement the Palestinians were to insure that Seyaan in Straubing cease making trouble at long last.

A PLO representative promptly arrived in Wiesbaden on 17 October, conferred with Herold next day, and after clearance with the Bavarian Interior Ministry proceeded to Straubing on 19 October. He was accompanied by BKA official and the very sworn Arab interpreter who had also been present at Seyaan's trial.

As desired by the BKA the PLO envoy exhorted his compatriot, and the interpreter duly translated for the BKA man what Seyaan revealed close to the end of the conversation: He had been interrogated by an Israeli intelligence agent. Though the man pretended to be German he knew Hebrew, displayed keen interest in the Palestinian fighting organization Al Fatah, and besides smokes Israeli cigarettes. The PLO mediator left in outrage.

Nevertheless, Interior Minister Baum wants to try to retain the Palestinians, who have been disappointed by the Germans, as partners. Last Friday Seyaan and his accomplice Muhammad Hamade, the last two of the quartet, were deported to Damascus.

Baum's warning to the Israelis: I do not know exactly what is going on. But there is somebody who wants to disturb our contacts with the PLO. I am pursuing international counteraction of terrorists, so nobody should intrude."

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## CDU PRESIDIUUM REPLIES TO USTINOV STATEMENT

Frankfurt/Main FRANKFURTER ALLGEMEINE in German 30 Oct 79 p 4

[Text] The CDU presidium rejected statements by Soviet Defense Minister Ustinov on NATO "catch-up rearmament." In agreement with the partners in the Western defense alliance the CDU notes a definite superiority of the Soviet Union and its allies. So far the Soviet Union has resolutely disputed this superiority, although it is perfectly obvious especially with respect to medium range rockets and tanks. The Soviet proposal is directed at exploiting the difficulties inside NATO, which are increased by the constant "waffling" of the Federal Government. The proposals by Brezhnev and his defense minister represent a "steady attempt at exploiting weaknesses in the West to carry the interests of the Soviet Union." The CDU asked the Federal Government to judge the Soviet Union by its actions rather than by its words. A good occasion would be the forthcoming Vienna negotiations on mutual and balanced force reductions, the Madrid successor conference on security and cooperation in Europe, scheduled for the summer of 1980, and Moscow proposals for SALT talks with the United States. These would show how serious the Soviet readiness for arms control and disarmament really is. As long as the Soviet Union is not prepared for "thorough-going disarmament and arms control measures," NATO cannot possibly forego the modernization of its arms potential in Europe.

CDU deputy Mertes, CDU/CSU Bundestag spokesman on defense and disarmament, issued a more positive appraisal of the Federal Government's policy, or at least of Foreign Minister Genscher. He welcomed the latest Genscher statement as a "definite rejection of the increasing Soviet attempts at intimidation and threats." The Soviet "disarmament verbalism" is intended to undermine the Western deterrent capacity and disguise "unchecked Eastern rearmament." On the other hand the CDU politician considers statements by SPD federal executive secretary Bahr to be "clearly hostile" to the United States and Foreign Minister Genscher, because Bahr champions the alleged priority of arms control over defense. Bahr thinks that Bonn should approve the production of expensive American weapons but allow their stationing in Europe only if future SALT II negotiations should fail to achieve a settlement. This opinion favors Soviet interests because Moscow would in fact be

in a position to dictate Western defense policies while "uncertainty about the outcome of the negotiations" lasts.

The CDU presidium welcomed the visit to Berlin of French President Giscard d'Estaing. It assesses this as a "contribution to the security of the city." The CDU is also satisfied with the visit to the Federal Republic of China by party chief Hua Guofeng, especially with the "positive attitude of the Chinese Government on the issue of German unity and the unification of Europe." The Federal Government is accused of having initially "downplayed" the importance of the visit by reason of mistaken consideration.

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## GREENS MUST FACE ORGANIZATION, PROGRAM DECISIONS

Hamburg DIE ZEIT in German 26 Oct 79 p 3

[Article by Horst Bieber: "They Are United Only by Protest"]

[Text] Will they field candidates at the 1980 Bundestag elections, or will they not? The upward surge in the Bremen vote presented the Greens with 5.14 percent and four seats. Is that sufficient for them to aspire to the establishment of a federation-wide party? Will there be a "fourth party" in 10 months, joining the Union, the Free Democrats and the Social Democrats, which--though possibly failing the 5-percent hurdle--would yet deprive the coalition of sufficient votes and thereby enable Strauss to get a majority of seats? To ask these questions means to apply to the innumerable problems of the Greens that measuring rod to which only a minority of members would willingly expose themselves. After all, as we have seen in 2 years of debate, "green" also stands for "different"; they do not want to set up a new party on the old model but introduce something fresh.

Since last summer unification talks between the various groups have intensified. This week is the last date for sending in program proposals; on 3 and 4 November a program conference will meet in Offenbach. In early 1980 a federation-wide Green Party is to be founded. So far the majority wish seems to indicate that such a party will participate in the Bundestag elections.

The outcome of the European elections (3.2 percent) has shown that the Greens have a solid voter potential ranging from 2-3 percent; this could be increased. At the anti-nuclear demonstration in Bonn it was evident that a decided "no" to nuclear power finds a widespread echo among young people. The Greens are the party of protesting youth: In Bremen 15.4 percent of first-time voters cast their votes for the feisty "greenhorns." We are seeing the beginning of a generation conflict which will affect all Bundestag parties.

Still, the confrontation of young and old is only one of the problems the Greens will have to overcome. "Left-right," "within the system--outside the

system," "protest or alternative," "party or association" are other controversial issues on the agenda. At some time or other the Greens will also have to ascertain whether ecological principles suffice to produce a federation-wide program. Or, to quote a Green from southern Germany: "I have a nightmare: Before the election we have a television debate with Schmidt, Strauss and Genscher, and we will suddenly have to state our attitude to NATO, the EEC, pension insurance, the Lome Treaty, savings and loan promotion." The step from protest and single-issue group to ecological party is long, risky and--given the current situation of the internal debate--likely to be fatal.

At least the past 18 months have taught us something:

-- The election successes of Hamburg and Lower Saxony (June 1978) were not repeated. They were enough to tip the FDP from the provincial assemblies but not enough to save the "lists" from dissension and fragmentation.

-- A common front was prevented by the failure to settle question whether and in how far left groups should cooperate in the ecological movement. The subsequent provincial assembly elections (Hessen and Bavaria in October 1978, Rhineland-Palatinate and Berlin in March, Schleswig-Holstein in April 1979) proved disappointing to the Greens.

-- The local elections in North Rhine-Westphalia and the Land elections in Bremen lately proved that the Greens advance wherever they attack specific issues or are able to affect regionally limited conflicts. They are a "reacting" group (feeding off the mistakes of the established parties) and victorious only where they can exploit their dual strategy: To incite the citizen to protest outside parliamentary channels and to encourage this protest movement by the information and opportunities provided by parliament.

-- The attempt of ex-CDU Bundestag deputy Herbert Gruhl by his "Green Action, Future" to establish an ecological party more or less from above foundered on the resistance of those he wished to recruit because they, after all, consider the alleged abuse of "the party leadership commands, the rank and file obeys" the prime cause of the prevailing malaise.

-- The anti-nuclear movement has proved to be too narrow; expansion by other protest groups (ranging from renters by way of women's rights organizations to Third World movement), while providing a numerical increase fuzzed the basic outlines--not least because the addition of complaints does not automatically result in a program for running things better.

-- Objections to a tight organization--astonishingly many Greens in leading positions have long-standing experience in the "classic" parties--and the lack of a definite program have attracted many "wrong 'uns": Ambitious people, careerists, left and right splinter groups. All of them thought to find a following among the ecologists or an opportunity to jump on the bandwagon. The history of the alliances and splits in the ecological camp barely allows

disentanglement at this stage and is a consequence of this continuing process of clarification.

For all these reasons the Greens reckon that their party must be organized quite differently from the others: From below to above. (Temporary) Land associations are to evolve in the various Laender which may just possibly combine federation-wide next month. They accepted that the demarcation toward the left varied both in extent and in precision; they also accepted the vagueness of some program items. General agreement also existed on the appreciation that no all members of the loose alliance will support all decisions of the federal executive (or whatever name this central body will be given); aimed at is "unity in pluralism, capable of action." Political scientists have already institutionalized the tendency toward anarchism, freedom from domination, in the general movement.

Carried to the extreme the Greens are still a movement without a fixed doctrine. They are an opposition rejecting growth which tends to be self-destructive (nuclear power is merely the symbol of this trend). They fear that growth may increasingly imperil self-determination and democracy; they want to incite the individual citizen to exercise his initiative and so help him overcome his political apathy; they champion zero growth in order to replace by human values the "volume ideology of the gross national product" (Olaf Dinne, Green representative in the Bremen provincial assembly). A Lower Saxon Green coined the phrase: "Green--that is left liberalism critical of industry--or at least it should be. In any case we want to keep our idealistic impetus."

Such phrases do not sound very leftist, and only Rudi Dutschke among the free swinging socialists in the Federal Republic has taken up the cudgels on behalf of the Greens. The others are waiting--for the "historic German compromise" between the critics from the various camps, who up to now have had an ideal but no followers.

It is the weakness of the Green Party that it must be a protester; it will sink once its protest potential is lost--if, for instance, it should become part of a government coalition. In such a case it might, in the various assemblies, tolerate anything which does not directly touch upon the core of its self-definition, but it could not maintain independent concepts for the entire spectrum of politics (incidentally, this is a weakness which it recognizes). It is not able to enter any coalition. If there were several small parties in the Federal Republic, they would take up and champion Green concepts; the pressure on the established parties to lean toward the center signifies a rejection of objections which are dismissed as "left" only because the Greens do not join the general consensus with respect to economic development and take seriously the "limits to growth."

To warn of the "decline of the industrial Occident" is one matter; to draft an alternative is another; to implement it one more. The Greens succeed best with the first because they can field many factual reasons; with regard

to the second they battle the complexity of economic-social-political relations but are still optimistic; they are bound to come to grief on the third.

After all, they are descendants of the citizen initiatives, those groups aiming at a single definite target. They deny that a political decision may or even must range further than appreciation; they lack political credibility because they are willing to accept political responsibility only when the system is in fact in a crisis. Here is the most dangerous explosive militating against the cohesion of the Green alliance: Anyone seriously believing that our system is bound to collapse within 20 years must be responsible enough to act now and be ready to compromise. Not all Greens are willing to wait; some plead for immediate action.

Is it therefore no more than a temporary movement, picking up anxieties and anger and disappearing--at the latest--once the major parties annex their concerns? This verdict is simplistic. It would be correct if the Greens were a single-issue party, if the inscription on their banners were to read only: "No Nuclear Power Plants." Provided a majority could be found, such a demand could be met with more or less difficulty. But the Greens have long wanted more. The fact that they are not properly understood owes something to the circumstance that they have not quite shed the aura of sectarianism. A more intensive program discussion would have served them better than the concentration of their strength on organizational unity; after all, another Bundestag will be elected no later than 1984. A "green bible" would have to elucidate all those contradictions which are now hidden, camouflaged and muddled in organizational uncertainty.

It would have had to be a slight but meaty bible. Youth protests are nothing new; they have emerged whenever a social system came up to its limits or the forces upholding the system considered themselves absolute, denied the necessity for constant change and adjustment, and mistook ossification for strength. The extraparlimentary opposition of the late 1960's gave wings to the era of reform; the Greens take the field against the end of reform--they are not revolutionaries, they are defenders; not a party but homeless spirits; not wire pullers but Utopians in the best sense of the word.

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## BREMEN GREEN PARTY DELEGATES IN PARLIAMENT REBUFFED BY SPD

Frankfurt/Main FRANKFURTER ALLGEMEINE in German 29 Oct 79 p 4

[Text] The four Green representatives in the newly elected Bremen provincial assembly are not to be accorded the status of a parliamentary group. This was the decision adopted last Saturday by an extraordinary Land party congress of the Bremen SPD. The voting was secret, and the result recorded a voting ratio of 76 to 67. By this decision the party congress rejected the recommendations of the Bonn SPD leadership--presidium members mentioned were Brandt and Wehner, among others--and the Bremen Land executive. If, at the vote on the new rules of procedure of the Bremen townspeople on 7 November all Social Democrats were to vote in accordance with the principles of the allegedly nonexistent imperative, the four Green representatives would be virtually debarred from important aspects of parliamentary work.

It may be that, at a secret vote in the Land assembly, some SPD representatives will abstain and that consequently a majority for awarding parliamentary group status to the four Greens emerges with the help of the FDP. The FDP has already submitted a motion asking that the minimum strength of a parliamentary group be reduced to four from the customary five. If this should not happen, the Greens would also have to accept substantial financial losses vis-a-vis the "established" assembly groups. The Bonn and Bremen champions of parliamentary group status for the four Greens were certainly not guided by particular sympathy for the new representatives. Rather did they wish to prevent the Greens from making hay of their "martyrdom" at the hands of the establishment.

By a very slight margin--74 votes to 73--the Bremen SPD party congress decided that assembly group chairmen will in future be paid stipends on the same scale as senators (B 11, that is DM11,000 monthly), and deputy group chairman on that of senate directors (B 9, about DM8,700 per month). Several delegates commented that this signified a "feasting at the trough" which would certainly further alienate the taxpayers. Earlier the Greens had already announced that they would--if given the status of an assembly group--submit motions designed to reduce these "unduly high" stipends. None of the Green representatives intends to ask the state for personal remuneration in excess of his former earnings.

## MINISTER OFFERGELD VIEWS DEVELOPMENT POLICY

DW141251 Cologne WESTDEUTSCHER RUND/FUNK Network in German 2110 GMT 13 Nov 79  
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[Excerpts from interview by unidentified reporter with Federal Minister for Economic Cooperation Rainer Offergeld, place not given--recorded]

[Text] [Question] Does the differentiation between developing countries, such as threshold countries on the one hand and poor developing countries on the other, also call for a differentiated development policy of industrial nations?

[Answer] I believe that this cannot be doubted at all. Strong differentiation characterizes the last development decade. More than 10 years ago one believed that there could be a general development strategy. But according to the development we have experienced, I believe that this is not possible any more today. One cannot give the same answers to problems of threshold countries, that is the new industrial countries, and problems of the poorest development countries.

[Question] If we consider the economic strength of these threshold countries, we see that they are most interested because of their export volume in the markets of industrial countries. On the other hand we will have difficulties --particularly the Federal Republic--with our limited capability to absorb the exports of threshold countries in the long run. How would you describe the function of an industrial country such as the Federal Republic, in coping with the developing countries' striving for the markets of the Federal Republic?

[Answer] If we mean development policy seriously, we cannot merely help the countries to build up their capacities. We must accept them later on as trade partners. If we supply them with industrial installations, it is because of production. In order to be able to pay for these industrial installations, they must be able to sell their goods to us. In other words, we must open our markets for them. It means for us that a structural change must take place and it may create certain problems in some of our economic sectors. But it also offers quite some future chances with regard to ambitious technological production. It means that we will have stronger trade partners

in these threshold countries, and with stronger partners better and mutually advantageous trade will be possible. We must cope offensively with the structural change problem and we must pursue a respective structural research and labor market policy.

[Question] In a motion to the SPD Congress in Berlin the Textile and Clothing Trade Union particularly criticized the demanded further opening of our markets. It says that labor market policy is behind that and that it will eliminate jobs in the Federal Republic. The union criticized it that the discussion on maintaining or creating jobs will be held in an unclear way in future. What would you suggest to protect jobs that would be lost here because of imports from developing countries or to create new jobs?

[Answer] It is most difficult to make exact prognoses. One must become adapted more quickly to changing market conditions. One must not keep it a secret that rationalization in the textile industry in past years has eliminated jobs, it has eliminated some jobs and it has made others more secure. If we want to master the problem of structural changes in a quickly changing world, one cannot take protective measures--as some people believe--one can only cope constructively with progress, take progressive technical, organizational, labor market policy and social policy measures.

[Question] What tasks do you see in order to bring about realistic and half-way rational developments in the poorest developing countries?

[Answer] The greatest problem is financing such a development process, a process that would give the people in the poorest development countries at least a minimum of the prerequisites for living a life worthy of human being. I think that financing from the outside is necessary, that is through development assistance. Unfortunately, however, the present situation is such that the financial means at our disposal do not suffice at all to achieve this aim.

[Question] Is it still so that one would need as much money for financing the needs and a sensible development of the poor developing countries as one needs for the national social policy?

[Answer] Naturally, coming one step closer to a life worthy of human being in these poorest countries means pursuing a worldwide social policy.

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## ECONOMIST SEES DANGER OF NO GROWTH IN 1980

Hamburg DER SPIEGEL in German 29 Oct 79 p 39, 42

[Interview with Prof Norbert Walter: "The Ship Will Soon Drift Keel Up"]

[Text] Norbert Walter, 35, economic expert at the Kiel Institute for World Economy, depicts prospects for the German economy next year as thoroughly gloomy. In the fall report of the economic research institutes the Kiel people disagree with the joint prognosis in a special opinion. While the majority of the economic prophets still predict economic growth of about 2.5 percent in 1980, the Kiel institute believes that "at best a stagnation" is probable. Walter called on the Federal Bank to initiate a policy of cheap money. Otherwise an economic setback such as the one after 1974 will threaten, he says.

[Question] The economy is in beautiful bloom, the FRG has the long-desired growth. Even so, you warn against economic stagnation. How does that fit in?

[Answer] If only facts were needed in order to make prognoses we would be superfluous. We must look beyond the facts, we must have a model of reality, a theoretical idea with which we can look further into the future than the facts about current developments allow.

[Question] But the economy is running as if oiled. How do you get the idea that the trend is turning around?

[Answer] The economic figures are no longer quite that splendid. Two months ago all the facts still indicated an upturn. But for about a month indications have been multiplying that we will instead have a stagnation next year. Automobile production clearly dropped in September ...

[Question] ... after a boom suspected of being a record, which was characterized by the auto managers themselves as almost "too good."



[Answer] In no way do we insist that next year the world will collapse or production will drop drastically. On the contrary, we say: Next year the growth will take a break. But when, as now in September, 15 percent fewer automobiles are being licensed domestically than 1 year ago, then it is really a clear sign.

[Question] Every level of economic policy, from Federal Bank president Emminger to Minister of Economics Count Laubendorff, is expecting that next year things will go slower, to be sure, but nevertheless upward. Why do you paint the situation so bleak?

[Answer] We have tried to learn from the experiences of the 1970's. We have tried to find sets of conditions which correspond with those of 1979. For this there are obviously parallels with 1973.

[Question] You mean the massive increase in oil prices?

[Answer] The influence of this factor cannot be disputed. The DM 15 billion loss of purchasing power which goes to the oil nations is regarded by everyone, nationally and internationally, as the cause of the imminent slowdown.

[Question] No one disputes that the rate of growth is slowing down. However, your deep pessimism is contradicted by the good mood among the businessmen who are actively investing.

[Answer] The mood may be ever so good -- but it does not work when the framework data do not agree. Because just now we are experiencing a second phenomenon which existed in 1972/1973, that is to say a sharp monetary braking action. The expansion of the money supply, a year ago with double digits, is at the moment practically zero.

[Question] The Federal Bank must consequently change its course?

[Answer] This is what we demand of the Federal Bank. Only we would not like to describe what has to be done with the words change of course. It is even sufficient if instead of the present zero growth of the money supply the Federal Bank would allow an increase corresponding to the rate announced last December. Today it must adopt expansive measures for that.

[Question] That would then take place with the risk that new acceleration will speed up the rate of inflation. For it has not been settled whether acceleration of a standstill is necessary.

[Answer] When the Federal Bank carries out the course which it announced itself last December and eases the brakes on the money, then it is not a policy which promotes inflation. On the contrary, the inflation rate will clearly drop in the next year as well, from about six percent at the end of the year to about three percent a year later.

[Question] You are quite alone in your request to the Federal Bank. Only the unions are on your side. Why have you not even been able to convince your colleagues at the other economic research institutes during the drafting of your fall report?

[Answer] Apparently our argumentation was not good enough. In our opinion the monetary policy of the past teaches us that it is not only a matter of the level of growth rates, but above all a matter of how rapidly the tempo of money supply expansion can be altered.

[Question] You mean the pressure on the brake pedal?

[Answer] Yes. The speed of switching from the accelerator to the brake pedal. This is risky -- like jamming on the brakes in a car. Or, in order to use another picture: If with a sailboat one encounters a hurricane, called an oil price increase, and one tries to bring the boat out of danger by means of setting the mainsails and sailing the opposite way -- what then happens is clear not only to sailing experts: The boat will soon drift keel up.

[Question] The question is only whether we have a hurricane, or perhaps only headwind. As early as this summer you and some of your colleagues warned dramatically against a development which you are now forecasting. At least it did not arrive as quickly as predicted at that time. If this summer a little more rope had been let out, which you are asking for now, the goal of stability would be in even greater danger.

[Answer] No. Inflation -- as far as it is caused at home -- is the result of an expansive policy which normally lies 2 years back. It seems impossible for many people in this country to understand that. But: A restraining policy has a rapid effect on production and employment. This is why as early as last summer we criticized the Federal Bank policy as being excessively restraining and proposed easing it. Since early this summer the Bank has overdrawn its retarding course, with dangers for the economy in 1980.

[Question] That is an election year. Do you really think that the government would allow a recession at this time?

[Answer] It would be better to adjust the election cycle to the economic cycle instead of the other way around. Now would certainly be a good election time, at least better than next year.

[Question] By that time the government can adopt a new course if it believes it to be correct.

[Answer] First: I believe that a turnaround in course is the wrong prescription. It perpetuates our economic roller coaster. But even if it were to take place it would scarcely put the economy on its feet before the election. My concern is that the Federal Bank out of fear of the next round of collective bargaining, out of worry that the collective agreement parties might settle too high, will wait until the end of the next bargaining session

until it returns to the desirable path and will waste precious months with passivity.

Whoever wants to avoid the 1980 recession should, after the experience of the 1970's, not practice the monetary policy of 1979. That can only be done by someone who is willing to risk recession in order to reduce the rate of inflation more rapidly.

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## COMMISSION REPORTS ON WAYS TO HANDLE OIL CRISIS

Duesseldorf WIRTSCHAFTSWOCHEN in German 22 Oct 79 pp 23-28

[Excerpts from draft report by the scientific advisory council to the Federal Ministry of Economics: "Economic Consequences of the Oil Shortage"]

[Text] As certainly as night follows day oil will be short and more and more expensive. Arising therefrom are problems and threats to prosperity, stability and peace. The scientific advisory council to the Federal Ministry of Economics, the so-called Sonnenalp Commission, presents possible solutions. In the following WIRTSCHAFTSWOCHEN publishes excerpts from the still confidential draft "Economic Consequences of the Oil Shortage."

The latest price increases, the related decline in Iranian oil production and announcements of output restrictions by the governments of the producer countries have aroused public anxiety that these exogenous price or volume shocks might at a future time threaten growth, stability and social peace.

In the long term more or less everybody now expects a serious shortage of oil. The Federal Republic's economic policy must assume that further severe price hikes will occur. Also possible at any time are short term supply bottlenecks. This presents three problems for economic policy: The distributive problem, the structural problem and the stability problem.

A higher price for oil worsens the terms of trade vis-a-vis the oil producers and thereby lowers real income. Is this loss of real income inevitable? How is the burden to be distributed? At the same time higher oil prices improve the profit situation of all domestic suppliers of oil and substitutes. How are these windfall profits to be treated?

Three possible strategies must be considered from the aspect of their prospects for success. The first strategy tends so to raise the prices of goods exported to the oil countries as to equalize the terms of trade which worsened when oil supplies got scarcer. To carry out this strategy we



would require an expansive fiscal and monetary policy. This, though, would involve serious disadvantages because the subsequent price rises would not only affect export goods but all products generally. The ensuing inflation would have undesirable effects on distribution at home and endanger employment.

Moreover such a policy would necessarily fail if adopted by a single country on its own. The result would be the devaluation of the domestic currency, and this in turn would prevent the price of the export goods from rising in the currency paying for the oil. If, on the other hand, other industrial countries were to join in this policy, it must be assumed that the oil producers would react by again raising their oil prices. Thanks to the virtual monopoly they exercise by their cooperation on world oil markets, this would be quite easy.

An alternative might be the revaluation of the domestic currency, supported by the argument that domestic export products would thereby become relatively more expensive abroad. The same objections must be raised to such an approach.

The second strategy is aimed at diverting to the domestic economy some part of the shortage or quota revenues now fully accruing to the oil producers. The assumption here is that a rise in oil prices at home by means of an oil tariff or a special tax on oil and oil derivatives would cut domestic demand even more than is already happening. To be expected then is a further decline in oil consumption and a speed-up in the transition to other energy sources and energy saving technologies. This is linked to the hope that the oil price rise would then be less severe. The tax or tariff would in part be "rolled back" onto the oil producers.

If we consider this second strategy from distributive aspects only, we are bound to be somewhat skeptical. If one country alone were to apply this strategy the world market demand for oil would decline relatively little and the "roll back" effect be negligible. If all oil importing countries were to band together in this endeavor, the oil producers for their part would be likely to enforce further price increases. Here they would benefit from the fact that they could no longer be accused of the actual or alleged disruption of the world economy arising from oil price increases, because the same arguments would be valid with respect to the tariff or tax charged by the respective countries.

The third strategy consists in liberating ourselves as quickly as possible from dependence on the oil exporting countries, whether by lower oil consumption or by the increasing use of alternative types of energy. Both the decline in the oil trade volume expected to arise therefrom and the related decline in the oil price upcreep would reduce the transfer of real income. However, in the short term such a strategy will not be able to cope with the international redistribution problem.

In general, then, we must note that a transfer of real income to the oil producers is inevitable in the short and medium term. The public at home will have no choice but to accept the burdens involved.

How are these hardships to be distributed among the members of our society, how best will it be possible to achieve a social consensus about their distribution? If we should try for a distribution which could not be approved by large social groups, each of the groups affected would attempt to pass on the burden. Distribution fights would erupt: As we have learned from the latest events in the economy, inflation, unemployment and a decline in the efficiency of the economy at the expense of all would be the most likely consequence.

The advisory council is of the opinion that a social consensus may be achieved if the major social groups are made equally to share the burden while, at the same time, social hardship is avoided by government transfer payments. This means that employers may not use the pretext of rising energy costs to raise their quoted prices above the appropriate scale. Nor should the parties negotiating collective wage agreements settle on wage increases which take into account the full inflation rate as well as the rise in productivity.

It remains for us to decide whether the individual citizen is to be affected by lowered private consumption or lowered collective consumption. Depending on the answer taxation and real government expenditure should or should not be relatively reduced. In general we may assume that the average income flexibility in regard to the demand for public goods is greater than for private goods. It follows that we should not call upon households alone to adjust their private consumption. Losses must also be accepted in the public's supply with public goods. In the appropriate circumstances this should be matched by tax relief for households and businesses.

The oil price rise did not burden all domestic persons or entities capable of economic action. Prices of domestic energy supplies also rise and improve the profits of domestic producers of such supplies. The energy shortage thus benefits the domestic producers of oil, natural gas, brown coal and hard coal, hydroelectricity: All of them--albeit to different degrees--benefit from the shortage, in other words earn windfall profits. Natural gas importers also may realize windfall profits when exporters do not (or are not able to) adjust their prices in conformity. Insofar we get a redistribution of real incomes in favor of these groups.

This redistribution is not noticed so much by reason of the increased profits as by way of distributive problems--we should therefore be concerned, independent of the reason for the profit, with simply finding the appropriate marginal tax rate. The profit is resented because achieved "effortlessly": It is not backed by any business performance. At the same time it is pointed out that windfall profits enable some firms to expand their capacities and carry out risky explorations while close rivals without domestic deposits are not able to do anything like that. As a result distortions of competition must be feared.

We therefore hear the repeated call for reasons of equity and competitive equality to skim off windfall profits by means of taxation. The advisory council is unable to offer a perfect solution to this problem: In particular it cannot say what is or is not "equitable" in this situation.

The long-term rising trend of real oil prices and the uncertainty about the volume available require structural adjustments of the product range and the combinations of elements in the economy. How can we define this conversion task for economic policy, how is it to be achieved?

It should be the goal of economic policy to encourage the replacement of oil and the thrifty use of all types of energy. Due to the long maturation time needed for many energetic investments and the sheer dimensions of the investments required for greater energy conservation and the development of alternative energy sources, the adjustment process is bound to take many years. We cannot therefore expect a quick easing of the oil situation.

In general we may claim with respect to energy suppliers and major energy consumers that the timespan of their strategic investment decisions is wide enough to take into account the threatening oil shortages and the development needs of oil substitutes. This is likely to apply also to many owners of buildings. For the majority of small-scale users, though, the timespan with respect to the purchases of appliances and vehicles crucial for their energy consumption is probably quite short and may well be less than the life of many appliances.

Among economic measures we should first mention the information of the public on the duration and urgency of the oil supply problem. Existing operations should therefore continue and, if necessary, receive greater impetus. Another possibility are economic measures encouraging the producers of energy consuming devices and vehicles in research and development to place greater emphasis on oil substitutes and conservation. Moreover they should be required to indicate the specific energy consumption features of their devices so that they may be intelligible for the consumer, thereby enabling the latter to arrive at a rational decision.

Information alone is hardly enough. Two possibilities seem to offer for avoiding the adverse effects of an unduly brief timespan. First it would be feasible to review and, if need be tighten the standards relating to reductions in energy consumption (for example in construction). Of course only such provisions should be adopted, which will not involve costs exceeding the current value of the energy saved thereby during the life of the project. Second it would be feasible to grant interest subsidies or equivalent concessions to the persons or entities capable of economic action concerned (among whom are, for example, many elderly home owners of modest means and incomes) in order to encourage them to conservation investments or purchases.

The latest jump in oil product prices in conjunction with repeated forecasts of the imminent "end of the oil age" has doubtlessly resulted in widespread expectations of further and substantial oil price increases at least in the long run. The spread of expectations here is likely to be rather wide. The major energy suppliers as well as the major energy users and the manufacturers of energy using devices (including automobiles) consider likely the doubling of real oil prices by the end of the Century. Concepts vary considerably among the smaller energy users.

When arriving at its decisions economic policy may not simply consider the medium-term expectations of its citizens or businesses; it must ponder the total economic risks involved. It must compare the social costs of underestimating the actual course of prices and those of overestimating it.

In the case of an underestimate we would get insufficient structural adjustment. This could result in strong frictions, leading to unemployment, declining output and increased inflation with more acute distribution struggles.

In the case of an overestimate we would be confronted with unduly high costs of domestic energy supplies and actions designed to conserve energy. Moreover the excessive capacities involved could easily trigger recessive trends, though their extent and duration might be strictly limited.

If we weigh the social costs, it follows that an underestimate of the actual course of prices would be riskier from the total economic aspect. The conclusion arises that, to be on the safe side, economic policy should assume that world oil production will not exceed its current dimensions. Such an assumption would imply a relatively rapid rise in oil prices in the next 10 years, before adjustments are full effective. By comparison to current crude oil prices we should therefore expect prices to have doubled by around 1990. Subsequently the rise would be far more gradual and diverge little from the medium-range expectations now prevailing.

The advisory council recommends the greatest possible decentralization of crisis precautions. Energy suppliers and users are to be encouraged to deal with disruptions and price jumps as far as possible by their own efforts and not promptly to ask for government aid. Oil consumers should therefore make appropriate arrangements to meet their needs in the case of a not too serious supply crisis. This includes stockpiling or participation in common storage facilities as well as the installation of equipment capable of using substitutes, especially coal. Of course we cannot do without government crisis precautions. Among these is a centrally controlled storage capability. The advisory council recommends a review of the existing obligation to hold 90 days stocks so as to see whether it is still adequate to meet supply crises of "medium duration" (for example up to 2 years). The final line of defense might provide for quantitative use restrictions in the case of a crisis. In the event of severe shortages no measures should be adopted, which would keep oil prices low. Such a step would adversely affect efforts to restrict oil consumption, develop substitutes and quickly make them available. A temporary crisis might thus be unnecessarily prolonged.



The public debate on the consequence of oil price increases has often been dominated by anxiety about the effects on the economy. In fact the oil crisis has been equated with a collapse of the economy. To offset this we should emphasize that, though the change in the price of any imported raw material--however widely used and difficult to replace--represents a non-recurring and certainly not recoverable loss of real income, this does by no means have to imply a recession.

Therefore, while the rise in oil prices and their real economic consequences should not be equated with a decline in total economic activity, we cannot exclude the possibility that the stability of price levels and employment might be indirectly endangered if

-- The structural change induced by oil prices results in spot unemployment and triggers a demand-shift inflation,

-- The social groups fail to arrive at a consensus,

-- The persons or entities capable of economic action misinterpret the situation as a business recession or the expectations of investors or consumers are otherwise adversely affected.

It must be a priority for the policy of stabilization to counter the dangers listed by avoiding distribution struggles. Here the parties negotiating collective wage agreements represent directly involved economic agents, to whose good sense we must appeal or who have to be involved in the general settlements.

More money cannot produce more oil! In other words, the oil price related decline in goods available for domestic supplies should not be attacked by measures stimulating demand.

If we reflect on the possible causes of upsets with regard to stability, we see that at times of a "price shock" it is crucial to create confidence. Persons or entities capable of economic action must feel secure, especially with respect to their future energy supplies. It is therefore necessary to include in measures to create confidence the stockpiling and rationing provisions which, in an emergency, will ensure that the sectors vital to production as a whole get sufficient energy and that, at the same time, minimum supplies are available for other purposes.

And yet we must avoid encouraging persons or entities capable of economic action from relying only on allocations while neglecting efforts to avoid energy shortages (conservation investments, stockpiling). These measures provide relief in case of a "bottleneck crisis" and at the same time improve the current climate of expectations by promising security even in extreme eventualities.



## BRIEFS

RELATIONS WITH GUINEA--Bonn--The Federal Republic and the West African Republic of Guinea believe that the period of difficulties in their relations has ended. They want to start with a new page in their relationship. This was stated today by Federal Chancellor Helmut Schmidt and Prime Minister Louis Lansana Beavogui during a luncheon in the chancellor's office in Bonn. Schmidt paid tribute to the growing role played by Guinea within the OAU under the leadership of President Ahmad Sekou Toure. Beavogui, who today was also received by Federal President Karl Carstens, Economic Cooperation Minister Rainer Offergeld and the minister in the chancellor's office Hans-Juergen Wischnewski, agreed during his talks in Bonn that talks will start in December in Conakry on the resumption of German development aid. Schmidt appealed to Guinea to create a favorable climate for investments for the desired participation by German industry in Conakry. Beavogui will visit German firms during the next 3 days and have meetings with German economic leaders. [Excerpts] [LD131914 Hamburg DPA in German 1536 GMT 13 Nov 79 LD]

GENSCHER'S CAMPAIGN ROLE--For the coming Bundestag election campaign, pitting against each other chief protagonists Schmidt and Strauss, the FDP has decided to clearly define its attitudes by precisely worded statements on political issues. At the same time party chairman and Foreign Minister Genscher is to emphasize his role as the top candidate of an independent FDP, sharply distinguished from the two other parties. In this endeavor he is to be aided by all senior Free Democrat politicians. This became evident in Bonn last Monday, following a meeting of the FDP Presidium which, for the first time, discussed at length the strategy and organization of the election campaign. The recommendations of the party committee are based on an appraisal by General Secretary Verheugen. They are to be submitted to the executive at its next meeting in Bonn on 5 November. Obviously the FDP leadership envisions a kind of dual strategy for the election campaign. For one, by assuming an issue-related line, it would like to distinguish itself in the expected ferocious duel between Schmidt and Strauss. On the other hand it will show more clearly than last time that it is also able to present an "absolute top candidate." The FDP plank of 1976, by contrast, had tended to feature a team and emphasized the importance of all FDP ministers in Bonn: "The four who will continue to be crucial." [Text] [Frankfurt/Main FRANKFURTER ALLGEMEINE in German 30 Oct 79 p 4] 11698

## GOVERNMENT ISSUES FINAL ELECTION RESULTS

Helsinki HUFVUDSTADSEN ADET in Swedish 16 Oct 79 p 8

[Text] With its 691,512 votes in the Riksdag election last spring, the Finnish Social Democratic Party became the country's biggest party for the twenty-sixth time, but the distance to the National Coalition (Conservative Party), which obtained as many as 121,919 new votes, shrank to only 64,748 votes. At the same time, the Finnish People's Democratic League lies 108,719 votes, and the Center Party 126,277 votes, behind the National Coalition.

These are some of the results appearing from the official election statistics which have now become available. It, moreover, appears from the said statistics that the voting activity in the entire country increased by 1.8 percent from the parliamentary election in 1975 to 81.2 percent. Of women, 80.6 percent voted, and of men 81.9 percent. Men have traditionally been more active voters than women, but, in the last election, women were more active.

## Voting Percentage Abroad 6.7

In the parliamentary election last spring, 20,476 expatriate Finns voted, and, of them, 16,189 were living in Sweden. The voting activity of expatriate Finns dropped in the election of the spring to 6.7 percent from somewhat over 7 percent in the preceding parliamentary election.

Of the votes from Sweden, 61.3 percent went to the left and 38.7 percent to the right and the center. Of the Sweden-Finns votes, 35.8 percent were given to the Finnish People's Democratic League, 25.4 percent to the Finnish Social Democratic Party, 11.9 percent to the Center Party, 5.6 percent to the National Coalition, 5.4 percent to the Finnish Christian League 4.2 percent to the Swedish People's Party, 3.6 percent to the Rural Party, 5.7 percent to the Constitutional People's Party, 1.2 percent to the Liberal Party, 0.7 percent to the Unity Party, and 0.2 percent to the Finnish Workers Party.

## Election Results of Parties

As mentioned before, the Social Democratic Party, for the 26th time, got the most votes in the Riksdag election of the spring. The party got a total of 691,512 votes, which is 7,922 votes more than in the preceding parliamentary election. The election statistics of the Department of Statistics show that the Finnish People's Democratic League once, in the year 1958, got the most votes. Also the Center Party once got the most votes, that was in 1962.

In the election of the spring, the National Coalition increased the most and got the second place with its 626,764 votes. The votes cast for the National Coalition increased by as many as 121,619 votes.

Of the four biggest parties, the Finnish People's Democratic League was the only party to lose votes in the election of the spring. The Finnish People's Democratic League won the third place with 518,045 votes. The setback from the election in 1975 was 1,438 votes. According to the election results of the spring, the Center Party became the fourth biggest party. The number of votes cast for the Center Party increased by 15,706 to 500,478.

The Finnish People's Christian League got 138,233 votes, the Rural Party 132,457 votes and the Swedish People's Party 122,418 votes. The Liberal Party got 106,560 votes and the Constitutional People's Party 34,958 votes.

According to the statistics, the Unity Party got 9,316 votes, the Finnish Workers Party 2,955 votes, the Private Enterprises Party 1,233 votes, the Åland Coalition Party 9,286 votes and other parties 220 votes.

Of the votes approved, 41.9 percent went to the Socialist parties, and 58.1 percent to the non-Socialist parties. In the Riksdag, the non-Socialists have 113 seats, while the Socialists have 87 seats.

### 11,620 rejected Votes

In counting the votes, 11,620 were rejected. The number is larger than in 1975 when 11,405 votes were rejected.

An exceptionally large number of votes, i.e. 21,955, were rejected in the election of 1978.

A total of 2,951 votes were left out of consideration. In 81.7 percent of the cases, the reason was that the voter lacked the right to vote.

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## SOCIOLOGIST ALLARDT: AFTER UKK PARLIAMENT MUST REGAIN POWER

Helsinki HUFVUDSTADSBLADET in Swedish 14 Oct 79 p 2

[Editorial]

[Excerpt] The political futurology is often expressed in conjectures regarding persons.

During the last few weeks, some opinion makers have touched on these questions as well. In his lecture on the Eva Day, Max Jakobson concentrated mainly on the economic shifts but also discussed the political changes in our country. He coined a new slogan by labelling the coming society "the third republic" after "Kekkonen's republic" or the second republic which is in power. In his opinion, this republic will become a society of information, characterized by a growing body of white-collar workers and probably with a less centralized power structure than the present.

In his lecture in the anniversary series of the Institute of Economic Research (excerpts of which were rendered in HUFVUDSTADSBLADET on 10 October), Chancellor Klaus Waris dealt more directly with the same question. He pointed out, in his turn with a quotation from Erik Allardt, that our political life is dominated by the structure of authority which has arisen around Kekkonen. He foresaw that when the president leaves the political arena, this structure will collapse, and he admonished the parties "urgently to start reviving a parliamentarism which functions without control from above."

The entire question of the coming power structure of our society is highly relevant, regardless whether one may raise the objection that President Kekkonen's present mandate does not expire until 1984 or even refer to rumors of a further extension of the period. Such time spans are, of course, of great importance in practical politics, but they do not change the fact that, within a foreseeable future, we shall be faced with the question what kind of power structure we shall want to have or may conceivably get in the future.

It is, of course, a political fact which nobody denies that the present president of the republic, to an increasing degree, has been indicating the political course in Finland, not only in foreign policy questions but also for our domestic policy. At first, this procedure met with intensive resistance, but the resistance has now practically disappeared.

One should, of course, be on one's guard against the mythology of the president's overwhelming power, which is quite widespread. He has not, to any major degree,



been putting the political details in fetters. The points on which he has intervened--by exercising the powers vested in him according to the constitution or by inofficial intervention--have received a great deal of publicity, but this has not prevented others from being largely in charge of the daily policy decisions.

What the president has done, however, is shaping the general political course. This has taken place on the strength of his ability to interpret the demands of our foreign policy, his, through the years, increasingly sovereign leadership in government formations and his exclusive right to dissolve parliament.

Waris says that the following president, in all likelihood, will have less influence than his predecessor. This probably is one of the questions on which there is complete agreement in all discussions on the future. It is conceivable that the current strong power of the president, with or against the will of the following president, will be reduced, and that the parliamentary forces will be given a larger role to play--if they can.

In view of the oscillating movements which usually occur in politics, it is to be expected that part of the public opinion will go farther than that. Some of the ideas which were advanced in the committee on the constitution in 1970-74, would, if realized, go far towards making the president merely a "representative figure," to quote Paasikivi. It is a mistake to believe that these thoughts are dead because they have been put on ice. They are very much alive in intellectual left-wing quarters, and they have been receiving increased support also in some other circles. It is being said that if the constitution has taken such a heavy list against the presidential power, a radical reform of the constitution will have to be adopted. Even proposals to abolish the presidency have emerged. Sweden, which has merely a representative head of government, and where the parliament (in practice, the parties) appoint the prime minister, proves that it is not a question of a Utopia.

We are among those who consider Stahlberg's constitution with an independent president to be still filling a mission. In order for the president to be replaced by a prime minister, another government stability than the one which we have would be necessary. That changes in the distribution of power from 1919 are necessary, is certainly obvious, and to agree on them is a matter of great urgency. But, on the whole, we should like to rely on the political forces when it comes to achieving a balance of power where the parliamentary parties function without "control from above," at the same time as there is an independent politically experienced head of government who, when needed, can function as a mediator and helper, and who represents the country abroad.

This is the vital question of the nation, just as vital as the question of economic prosperity has ever been to the nation. To evade them would be highly irresponsible.

## MD'S CHAIRMAN ON U.S. NUCLEAR UMBRELLA

Paris LE MONDE in French 6 Oct 79 pp 1,8

[Article by Michel Jobert, Chairman of the MD (Democratic Movement)]

[Text]--Thank you for finally saying what I had not stopped saying publicly for a long time. Yesterday, when we were facing each other in Brussels, Washington, or elsewhere, there were many mitigating circumstances to be given for your silence: In 1973, you were the U.S. secretary of state under Richard Nixon, who was the subject of such controversy in the country, that he sought feverishly external diversions. Thus you were led to proclaiming 1973 as "Europe's Year," though Europe had asked you for nothing. After all, so many bonds, interests and difficulties have held together Europe and the United States for a long time, and the dealings are hardly delicate, that we couldn't even scold you for thinking of us in this way.

But we didn't agree with you on the real state of affairs. And particularly on the military protection you were providing Europe, the famous "nuclear umbrella", with so many holes, and which you thought made certain that Europe would satisfy your country's every whim. Our European partners seemed to be convinced that they were not merely standing in a soup line. We French people since General de Gaulle, were really alone in noticing all the holes in this umbrella...

Today, restored to political and conceptual freedom, as you are in the habit of saying, a simple citizen who commands attention, your analysis bears a singular resemblance to mine.

Did you not declare on 1 September last, in the company of General Haig who only yesterday commanded the NATO forces, at a symposium organized by the American University of Georgetown: "No one disputes the fact that during the eighties, and perhaps even now, the United States will no longer be in a strategic position which enables them to reduce to tolerable levels a Soviet counterattack.... The Europeans should not rely only on the U.S. nuclear umbrella for their defense.... If we gave the Europeans the assurance of intervention, we would not like to implement it, since we would be risking the destruction of civilization.

That is quite clear, and after all, simple and firm: Our defense is always in our own hands. Therefore, we have reached the same analysis and the same recommendations, after 5 years. My patience and my hopes have been rewarded.

Strangely enough, at the time you were facing straightforwardly these naked truths, the public's attention was focused on the basic question of our defense by a number of articles, comments, proposals or test balloons. Any well-informed person would have realized, that the circulating information came from a common source, an American one. Often, the translation from the original was even rough. Men as competent in their field as Messrs Sanguinetti and Buis, changing their arguments according to Franco-German collaboration. Faced with the reactions aroused, they wondered whether they had been "manipulated," then said that they had acted as agents provocateurs to prove the lack of realism of such a project. Denials, adjustments, declarations, followed each other, this time on the official level. The minister for defense, the minister for foreign affairs, the prime minister, the president of the republic, on two occasions (not to mention the German authorities) denied one after the other that new orientations had been adopted and that the French plans for its nuclear defense had changed.

If in this sector, like many others, the decisions were unshakable, there would have been no need, week after week, to assert that they were not shaky! Thus it was possible to refer to the sixth nuclear submarine as the "parliamentary submarine," because it was approved by the president of the republic, who did not want it to a majority group agreeing in exchange to a budget vote!

But it does not matter much one way or the other if at the end we distinguish what is essential:

1. The U.S. policy has always fought, often jointly with the Russians, as was the case in the campaign against our nuclear tests, against the creation and development of the French nuclear force. The detour through Germany, assuming it were possible is the maneuver of too inventive minds. France's effort to assure its defense has never been accepted sincerely by the Americans. Any offer on their part for technical or strategic cooperation always carries with it the intention of taking control.

2. The U.S. nuclear umbrella assures U.S. safety, which goes without saying, and in an increasingly conditional and vague manner, that of the countries of the Atlantic Alliance. The latter are totally removed from the negotiations between the Russians and the Americans, and they are only informed about them from afar and after the fact.

The 1949 Atlantic Alliance which implied both the U.S. tutelage and assured protection in exchange, has become a half empty reality: protection no longer exists, but tutelage remains. That is why sooner or later, France will have to prepare to leave such an out-of-date and inequitable organization.

3. The only element of freedom which Europe enjoys today is France's freedom, independence in the nuclear sector. There is no other. Are we going to give

up event that? To take part, even from afar in the SALT-III negotiations, by which the Russians and Americans seek to reduce in the central European region, conventional or nuclear armaments, which are there, without harm to the protection of their own territory, would mean that France's defense would depend on the convenience and control of the Soviet-American condominium. Likewise to accept the installation of French nuclear weapons in Germany, to accept holding part of the fort at the Czech border, or elsewhere, in the plans established by NATO, would be acting with the same want of responsibility. We are not called to become the infantrymen, even nuclear infantrymen of Europe or America. Only a force of dissuasion, independent of both Russians and Americans, could prevent them from choosing Europe to settle their skillfully graduated conflicts.

4. France's nuclear effort is not costly: 14 percent of the total defense allocations in 1980. What is costly is, as Gen Andre Martin explains excellently, having wanted to do "a little of everything," not having chosen really nuclear dissuasion, having perpetuated in many aspects "Grandpa's army," with an abundance of cadres and numbers, and unsuitable for modern defense, still based on an anachronistic organization of the "military service" system, whose inadequacy is camouflaged by many material and intellectual artifices. The national effort is depleted in the slowed down functioning "deferred" army, poorly equipped even for the out-of-date missions to which it persists in being relegated. This is reality.

5. France's nuclear defense goes hand in hand with a total revision of the operational scheme of our forces: it is a "professional army" which should be using increasingly elaborate nuclear devices, as would be permissible, contrary to what some people write, by our finances, our science and our technology. The defense of the territory in all its depth should be assured by degrees, by a "supple structure" adapted to the terrain, to the environment. The Swiss understood that a long time ago. But in our country, they are still too distrustful of the citizen to assign to him the mission of defending his canton, his commune, his district, after he has been trained for this responsibility by only a few months of service. Consequently, failing this effort at lucidity and confidence, the "operational defense of the territory," remains a desperately empty paper shell.

These are a few of the realities we should ponder and face. Instead of training troops of intervention, which we are not able to transport ourselves to go and consolidate a few shaky African regimes! Instead of questioning ourselves on the "front combat" at the side of the "NATO" troops, who do not know what would be done by the Americans, after they have reflected.

This, dear Henry Kissinger, is what your recent and salutary words (even if they were intended only to weigh on the internal policies of your country) should henceforth make us understand without any ambiguity. Everyone of us here, from the smallest to the greatest, would have understood, so we hope. Thank you, Henry.

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## BRIEFS

MODIFIED MISSILE TESTED--A series of test-firings of the Aerospatiale MM-40 missile models has been successfully carried out at surface installations and buildings. The MM-40, we remind our readers, is the MM-38, or Exocet, in a longer-range version. [Text] [Paris AVIATION MAGAZINE INTERNATIONAL in French 1-14 Nov 79 p 12]

CSO: 3100

## KOSIDO PARTY CENTRAL COMMITTEE RESOLUTION PUBLISHED

Athens TO VIMA in Greek 7 Oct 79 p 3

/Text/ The Central Committee of the Party of Democratic Socialism /KOSIDO/ held its fourth meeting yesterday and approved the following resolution:

1. Foreign Policy

Since its founding KOSIDO has proclaimed its steadfastness in achieving an independent and effective foreign policy. It believes that its orientation toward building a Europe of working people assures, in the best possible way, the conditions for the socio-economic progress and security of the country. This orientation not only does not limit but expands the horizons of the Greek foreign policy which combines the safeguarding of our national independence with the steady devotion to peaceful coexistence and cooperation among people and to the safeguarding of human rights.

From this point of view, KOSIDO feels that the pursuit of friendship and cooperation with all peoples of the earth and especially with our Balkan neighbors and the Arab world, as well as with the Soviet Union and other countries of Eastern Europe, constitutes a necessary as well as positive development which strengthens the international position of our country, underlines the national particularism of our people and serves our long-term economic and social interests and our cultural character while contributing at the same time to the safeguarding of peace and security in our area, in Europe and in the world.

With these criteria as a basis, we regard the results of the recent talks of the Greek premier in Moscow as politically momentous and nationally beneficial. KOSIDO believes that a shift by Greece toward the Third World or toward neutrality does not serve the national interest because it will be linked with a generally more dangerous disturbance of the international balance in the sensitive Greek periphery and this may develop a threat to our sovereign rights. At the same time, however, it declares that participation of our country in any international organization is not automatic nor unchangeable. An exclusive criterion for the continuance of such participation is the absolute safeguarding of our national security and integrity.

It is in this context that we view the relation of our country to the NATO military arm following the unprovoked Turkish invasion of Cyprus in the summer of 1974, and we deem as unthinkable and unacceptable any proposal which tends to take away or partially take control of the operational air space over the Greek Aegean since the Aegean sea and air space is of vital importance to the defense of the whole Greek nation. We also believe that the operation of any American bases or other facilities in Greece, always under Greek control, is a question self-evidently entwined with the settlement of all our relations with the Atlantic Alliance. In addition, we hold a firm position as concerns the abolition of any foreign base in the context of an international effort toward disarmament and peace consolidation.

Everyone knows that our country has no claims of any kind against our neighbors. This fact provides a firm ground for exercising a steadfast Greek policy toward a multisided development of Balkan cooperation as well as for the pursuit of sincere relations of friendship and cooperation with the Turkish people. But this preassumes respect for our sovereign rights according to law, for international treaties and for legal procedures. It also preassumes that unilateral, arbitrary actions and any threat of coercion should be barred and that justice and normalcy should be restored in Cyprus by removing the Turkish occupation army and by absolutely respecting the independence, territorial integrity and non-aligned character of the Republic of Cyprus. KOSIDO believes that such a Greek foreign policy is creative and nationally beneficial and it is for this reason that it has the support and consent of the overwhelming majority of the Greek people. This policy can become unchallenged if it is accompanied by the continuous strengthening of the emotional link of the people with its armed forces stressing the national importance of their task as the institutions and spirit of the people's sovereignty dictate.

## 2. The Functioning of Democracy

The range and effectiveness of an independent foreign policy and of a sound defense policy depend on the most permanent preconditions which assure the stability and strength of the domestic front. And one of the basic preconditions is the sound functioning and the continuous in-depth probing of the democratic state.

The permanent problem of democracy is the degree of participation of the people as a whole and of each social category separately in the decisions concerning them. In order to cope with this problem which in our country is acute, the following are necessary:

a. Thorough enlightenment of the people without messianic announcements and without truths "by revelation" on decisive problems. Development of democratic dialogue among the political and social agencies based on real comparison of programs and ideas, on respect for truth, and on the ban of groundless labels, fanaticisms and psychoses which promote polarisation and lead to a dangerous division.

b. Use of the government media by all authentic representatives of public opinion in order to put an end at last to the government monopoly in enlightening the public, a monopoly which undermines very deeply the free, pluralistic character of the democratic political system. The press must be given responsible and objective information devoid of unpermitted party or economic dependence. The Central Committee denounces anti-democratic interference with the press which aims at silencing or undergrading important KOSIDO actions or positions.

c. Sound operation of the democratic institutions in all levels of public life. Such an operation is contradicted profusely by: the lack of a standard election law, by the anti-democratic and anachronistic operation of the Chamber of Deputies and of many other regulatory services which regulate political and social relations, the political amoralism in party crossing and in all sorts of "expansions," through unacceptable government and party interventions in the trade unions and through the continued weakening of the local self-government and decentralization.

d. The restoration of confidence between state and citizenry. Assurance that the state authority is exercised honestly and sincerely with objective criteria for all citizens without exception, without inconsistencies, without hiding or distorting the truth and without changing the state into an agency of party policy and domination.

The insufficiencies and shortcomings in the operation of the democratic state are serious and acute. They create the impression that the citizen is mocked, ignored, undergraded. It is about time that we judge our democratic institutions not only by their outside characteristics but mainly by their substantive content. Only in this way will the citizen of this country play a large role. Only in this way will the democratic system be armed against all kinds of undermining agents. And only in this way will the state and the freely elected government be able to cope with the new problems which are dictated by the objective reality and by the will of the people for social progress and intellectual renaissance. KOSIDO will persist in this policy because it is a policy which strengthens the unity of the people and focuses the attention of them to the correct assessment and priority of the problems and their effective solution.

### 3. The Socio-Economic Infrastructure

Another basic precondition for the strength and steadfastness of the domestic front is the necessary social and economic infrastructure which is acquired through specific measures of social justice.

There is evidence that the continued rise of inflation in our country has provoked unhealthy changes in the economy. Many classes of people are facing acute economic problems. The energy crisis and international inflation are not the only causes of the economic anomaly. Its solution is incompatible with both the die-hard partisanship and the vote mongering



through sloganeering. It is necessary to have a responsible and active policy of national unity and unanimity which, along with the vigor and development of our economy, will put above all the interest of all citizens and not that of groups or individuals. Towards this end KOSIDO proposes:

- a. The establishment of minimum wages and pensions and of an agreed procedure for cost-of-living adjustments.
- b. The participation of elected representatives of workers and employees in the administrative councils (up to 1/3 of their members) of the public agencies and enterprises as well as of the banks.
- c. The establishment of an agency for systematic dialogue between authorized representatives of workers and employees, of farmers and of the entrepreneurial and professional world on the one hand, and representatives of the state on the other in order to develop responsible and broadly acceptable solutions to basic issues.
- d. Drastic curtailment of consumption expenses by the government and public enterprises.
- e. Strict credit and currency control which, however, would assure the necessary financing of the agricultural sector as well as that of the handicraft and other small and medium enterprises.
- f. Decisive curtailment of tax evasion and reduction of the rates of taxation for small and medium incomes. General implementation of the control for establishing the reliability of all sorts of expenses as against the corresponding incomes.
- g. Restructures of the public investment sector with preference for investments in agriculture and infrastructure in order to develop the decentralised industrial and handicraft development.
- h. Immediate charting and implementing of long-term and a more broadly acceptable energy policy based on the exploitation of the continually renewed Greek sources of energy in order to reduce national dependence on others and to protect the environment.
- i. Abandonment of the overall policing of the market and strengthening competition through the mobilisation especially of the small-medium enterprises in conjunction with a systematic fight against profiteering and price increasing on essential foodstuffs and rents.

The immediate implementation of these proposals is essential in order to protect the buying power of smaller incomes, to restore confidence and to ensure necessary social coherence.

The implementation of an independent and effective foreign policy which is being strengthened by the exploitation of our relations with the European

Community and the expansion of multisided and effective cooperation with other countries, preassumes an indispensable improvement of the economic capabilities of the country, encouragement of the creative abilities of the people, an organized and effective public administration and consolidation of the social and economic infrastructure.

All these cannot be achieved by the party now in power. The times demand a state and a government of a different type. And these can be assured only through a policy constantly devoted to the pursuit of a social transformation which leads to democratic socialism which is KOSIDO's steadfast aim.

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## EDA CHAIRMAN FAVORS ACCESSION TO EEC

Athens ELEVTEROTYPIA in Greek 11, 12 Oct 79

[11 Oct 79 p 2]

[Text] The progressive political forces of this country are divided on the question of our full accession to EEC. Important forces are unconditionally against it. They believe that such association would be a submission to the multinationals and the monopolies which regulate the fate of Europe. They do not even attempt to fight against the submission of the people to the forces of capitalism.

We of the United Democratic Left [EDA] have already declared our opposing view in our party platform of December 1975. We stated then that the association of Greece with the European Community 15 years ago has been making our full entry unavoidable. It has shaped, moreover, special relations and conditions in the economic life of our country. With sound handling our accession to EEC can help the development of our economy because EEC does not represent only the Europe of large capital and monopolies but also the Europe of the working people, of the powerful trade union movement and of the progressive political movements.

As is known, other powerful democratic forces and parties in our country share this EDA position. We must recognize how important the full accession to EEC is to the country's future. Some believe that it is for a better future and others for a worse one. During the debate of 25 June in the Chamber of Deputies I charged that those who oppose the accession are unhesitatingly using falsifications and distortions of truth as well as gross inaccuracies in order to support their assertions and that if a plebiscite were to take place today no objective enlightenment of the people would exist since they are being subjected to deliberate brainwashing. At the same time, the complicated question of our entry into EEC would become more complicated since it has become an object of political competition and logomaneering.

## Factors for Peace

KKE, for instance, overlooks the fact Soviet Union leader Leonid Brezhnev himself has declared--with the realism for which he is known--that EEC

is today a reality and there is no reason to combat it and that we should try to find how to trade with it profitably. And, commenting on these views in PRAVDA, I. Alexandrov expresses the conviction that if the EEC democratic forces conduct their duties wisely then the new European institutions will become an important peace factor.

On the other hand, the monopolies do not dominate EEC only. They are already dominant in our country. Our struggle against monopolies cannot be conducted, of course, within the framework of a policy of isolationism--a policy which is dangerous and inconceivable today--but within the historical march of our association with all the working people and social classes in the EEC countries in a common struggle to change its character, structure, institutions and policy. The socialism we aim at preassumes the democratic and cultural conquest of Europe. This can be achieved in the continually expanding social and political arena where strong trade unions, organized communist and socialist parties exist, all of which favor EEC except for the Pannellenic Socialist Movement, KKE and Kourial's [transliterated] Portuguese Communist Party. At this point it is fitting to recall Francois Mitterand's view that there will be either a socialist Europe or no Europe at all.

Let me add that in any case the international distribution of labor obliges us to turn to EEC since the countries of the third world are also inevitably turning to it. The question is not whether we join EEC--since we have already joined it--but whether we should abandon it. Our country's entry into EEC is under present developments an economic and political necessity, while all other proposed alternative solutions are from the beginning unfeasible and a blind alley. But the future of the European idea belongs to the Left. Only the Left can remove the European idea from its present impasse and give it a complete political unification.

[12 Oct 79 p 9]

[Text] Despite our people's difficult struggle caused by the country's dependence, our national development is being hindered because the country's serious problems--safeguarding our national independence and the Republic and, to a large degree, our economic development--remain unsolved still. History has thus far condemned us to remain in the American imperialism's sphere of influence.

The all-powerful peoples' movements in Western Europe will be the strongest allies of our people in its difficult daily struggles for independence, democracy, economic and social development because, to a large degree, the problems of all people in Western Europe are common. I believe, therefore, that certain opposition parties should abandon their unproductive negativism and be prepared to join the common fight of our people and that of the people of Western Europe, because our people will find in the West European people their most powerful allies--and will fight on with the unshaken belief that the not too distant future of Europe does not belong



to the monopolies and the multinationals. The future of Europe and of our people lies in socialism and the role of the democratic and socialist Greece is large, I believe, small as our country may be. We have a mission to save Europe from the grip of America and all together gain our independence in close cooperation with the democratic and socialist forces of Europe and EEC.

Finally, I consider as completely unrealistic all about Mediterranean unions with Malta, Algeria, Albania and other third world nations or with the Balkans. On the other hand, I believe that our participation as a full member of EEC safeguards our democratic institutions and strengthens peace in the Eastern Mediterranean.

Our choice, then, for or against Europe is, in my view, of the greatest importance for the future of our country, for the future of democracy, socialism and peace. Two prospects are defined for EEC.

On the one hand, we face capitalist Europe of the ruling Right, and on the other hand the socialist Europe. In order to be effective in our struggles we need the close cooperation of those who are in favor of a united Europe. The challenge is great. Divided we would not be able to overcome, despite the fact that the working people of Europe aim at achieving the socialist transformation of society--a transformation which will need time and struggle to achieve. Everything is about to be conquered and the working people should not believe that the privileged ones will give what they have conquered without resistance. Thus all those of us who believe in a socialist Europe must coordinate our efforts and persuade the people that they can achieve a socialist Europe through their struggles.

To this end, those socialist forces which want a socialist Europe must coordinate their activities for enlightening the working people on this very important choice. We must not be divided and uncoordinated before this great challenge in order to be able to overcome the national barriers and to achieve the political union of Europe based on democracy and socialism. We are on the way to electing deputies to the European parliament. For this election it will be necessary to coordinate all democratic and socialist forces and to have a unified front. Thus, we shall prove that we are responsible defenders of democracy and socialism, defenders who will walk hand in hand toward achieving the transition from a Europe of monopolies to a Europe of Peoples.

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## BALANCE OF PAYMENTS STATISTICS PUBLISHED

Athens I KATHIMERINI in Greek 9 Oct 79 p 9

[Article by Nikos Nikolaou]

[Text] The international inflation is exerting strong pressure on the Greek balance of payments by increasing the imports and thus expanding the deficit. Statistics given by the Bank of Greece yesterday for the period between January and August 1979 show a current trade balance of 1,562 million dollars while the official forecasts put the deficit for the whole year at 1,800 million dollars. It is evident, therefore, that the deficit is increasing faster than the official forecasts and there is concern that it may finally exceed the amount of 1,800 million dollars, mainly because during the winter months the imports are usually high. The 1978 deficit reached 1,250 million dollars and the assessment that this year it will rise to 1,800 million dollars has dictated the negotiation of a 500-million-dollar loan agreement which will be signed within the next few days in Paris by Professor I. Zolotas, Bank of Greece president. As mentioned earlier, the increase in the trade balance deficit this year is basically due to the "swelling" of imports. Exports also are increasing this year at a high rate but the great difference between exports and imports leads to a trade deficit increase which is not sufficiently curtailed by the surplus in the invisible income.

Indeed, according to Bank of Greece statistics, the monthly imports during the January-August period are as follows, in million dollars:

<u>Month</u>	<u>1978</u>	<u>1979</u>
January	537.7	761.1
February	541.5	704.8
March	652.6	850.4
April	610.0	770.0
May	579.2	858.5
June	585.4	842.0
July	676.6	858.0
August	645.5	830.0

As the preceding figures show, the imports this year were more than 30 percent higher than in 1978. During the January-August 8-month period of 1979, the total imports reached 6,481 million dollars compared to 4,261 million dollars during the corresponding 1978 period. There was, that is, an increase by 34.2 percent in foreign exchange spending compared to an increase of 13.3 percent between 1978 and 1977. Thus the imports this year are increasing at a rate three times faster than last year's and this is basically due to the impact of international inflation which is manifested in:

1. The high cost of fuel imports following the higher OPEC prices. This year, the foreign exchange spending for fuel imports reached 1,324 million dollars. Of course, a part of the imported quantities was re-exported after undergoing treatment in the exporting refineries. Thus, after subtracting the 218-million-dollar income from exported oil products there remains a debit of 1,106 million dollars in the fuel balance compared to 723 million dollars during the corresponding 1978 period. In other words, it increased by 53 percent compared to the 8.6 percent increase during the period between 1977 and 1978.

2. The rise of total imports--less the fuel imports--was also high. Their value reached 5,157 million dollars compared to 4,012 million dollars in 1978 and to 3,532 million dollars in 1977. They increased, that is, by 28.5 percent compared to last year's increase of 13.6 percent. First assessments show that basically this rise reflects an increase in international prices rather than in the imported quantities. The prices of raw materials and capital goods particularly were greatly increased.

More analytically, the trade balance picture during the January-August 8-month period in the past 3 years is as follows, in millions of dollars:

	<u>1977</u>	<u>1978</u>	<u>1979</u>
Imports	4,261	4,829	6,481
Exports	<u>1,723</u>	<u>1,844</u>	<u>2,539</u>
Trade Balance(A)	-2,538	-2,985	-3,942
Invisible Income	2,296	2,632	3,235
Invisible Payments	<u>581</u>	<u>668</u>	<u>855</u>
Balance of Invisibles(B)	1,715	1,964	2,380
Current Trade Balance (A-B)	-823	-1,021	-1,562

As the above figures show, except for imports, the developments in exports and invisible income are as follows:

a. This year exports continue to rise at a fast rate. During the 8-month period they showed a 37.7 percent rate of increase compared to 7 percent

last year. This rise was caused by the increased imports of goods of all categories and especially of industrial ones.

b. The invisible income increased by 22.9 percent compared to last year's 14.6 percent. More specifically, the tourist exchange increased by 20.9 percent compared to 29.9 percent last year, the maritime exchange increased by 28.8 percent compared to 0.1 percent and that of emigrants by 12.2 percent compared to 7.4 percent.

In any case, two unpleasant developments should be noted: First, the rate of increase of the tourist exchange is smaller than that of the number of tourists which means that the drain on the foreign exchange continues. Second, the exchange deposits by Greek workers and seamen in August marked a negative development.

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## ECONOMICS PROFESSOR ANALYZES NEW GOVERNMENT ANTI-INFLATION MEASURES

Athens O OIKONOMIKOS TAKHYTHOMOS in Greek 27 Sep 79 pp 26, 27, 28

[Letter-Comment by Maria Negrepondi-Delivani, Professor of Economics at the  
Salonica Supreme Industrial School /AVSTh/

/Text/ Professor Maria Negrepondi-Delivani is forcing open doors when she wonders if O OIKONOMIKOS TAKHYTHOMOS will publish her views which follow. But why not? Regardless of whether we agree or not with all her arguments (most of them coincide with our views), O OIKONOMIKOS TAKHYTHOMOS publishes, as is known, all opinions on any subject. Moreover, it has not avoided discussing these /anti-inflation/ measures. Already its contributor, P. Rylacon, has published a critique on the measures on which Madame Delivani comments today. Her letter, which in reality is a well formalised and comprehensive article, follows:

Dear Editor:

As I write these lines on the new anti-inflation measures for publication in O OIKONOMIKOS TAKHYTHOMOS, I harbor certain doubts as to your reaction. I do not know--since O OIKONOMIKOS TAKHYTHOMOS was not invited to participate in the television interview as you stated on 23 August 1972--if your magazine will be willing to occupy itself with these measures. But my reluctance is also due to the relevant indirect declarations according to which anyone who would contradict the soundness and especially the effectiveness of these measures should be considered as ill-motivated. However, relying on my long experience as a reader of O OIKONOMIKOS TAKHYTHOMOS, I am confident that your magazine accepts all views even when it happens to disagree with them. Also because it has proved during difficult moments in the past that it possesses the ability to overcome long-term interests. As concerns the "ill-motivation" which any criticism of the recent measures is assumed to have, I want to believe that no such motivation exists on my part. On the contrary, having the center of gravity a more general obligation which all specialists should feel in these difficult moments faced by the country, I have decided to offer my insignificant contribution and to gladly admit that my views are wrong if they would be so proved in the future.

I shall divide my observations into three parts. In the first part I shall try to analyze the objectives of these measures. In the second I shall explain the reasons why I believe these measures do not have a possibility for success. Finally, in the third part I will venture to propose measures which could, under the present conditions, have some degree of success.

## I. Objectives of Recent Measures

Naturally, the main objective of the measures announced on 21 August 1979 is to curtail the intensive inflation our economy is experiencing. Such an objective is based on the implementation of anti-inflationary measures throughout the country. This, however, does not mean that any combination of anti-inflationary measures is capable of fighting inflation from any cause. The choice of anti-inflationary measures--a prerogative of each government--should combine a high degree of effectiveness and minimization of the hardships with which the anti-inflationary measures are inevitably linked. From the large bundle of possible anti-inflationary measures, the appropriate authorities in our country have chosen five--not six, because the "control of prices and profits" belongs to the absolutely "theoretical category" of anti-inflationary measures. These five measures are:

a. Increase of interest rates by 2 to 4 percent. This measure aims at:

1) Restricting credits; 2) encouraging savings and at the same time limiting consumption, and 3) maintaining to a certain extent the purchasing power of the small depositor. However, with the choice of this measure, the government seems to admit at the same time:

First, that the level of the interest rate does not constitute the determining factor for the decisions on investments, especially in the manufacturing sector where the chronic devitalization of investments competes strenuously with the inflation problem. At this point, I believe that the government assumption is correct even though diametrically opposed to what it has been practicing until now. Many times I had the opportunity to assert--as well as to prove, I believe--that because of the peculiarities which reach their peak in the manufacturing sector, the level of the bank interest rates and the financing conveniences have not been in a position since 1960 to influence investments in this sector, and therefore this measure does not affect, first of all, the industrialists.

Second, that the small depositors who basically are salary earners, farmers and handicraftsmen will want to restrict the propensity for consumption in order to benefit from the higher interest rates they now receive. Such an aim of the measure, however, should be given the logical interpretation that the authorities believe that a large part of the inflationary pressures in our country is caused by the high propensity for consumption by these small depositors and that, therefore, if this tendency is curtailed as a result of their increased deposits, the inflation will be controlled to a decisive degree. Otherwise, without this conviction the implementation of the corresponding measure would naturally be useless.

Third, that it would have been better not to have mentioned, among the other objectives of the measure increasing the interest rate, the desire of maintaining intact the purchasing power of the small depositors first, because during periods of intensive inflationary mentality even the small depositors, who are supposed to be suffering from money illusion, will soon start comparing the increased interest rate with the inflation rate which is continually becoming more and more intensive and, second, because they too will try to satisfy certain speculative trends which develop in an intensively inflationary environment. Further still, because they are somewhat limited in their ability to invest in real estate.

Fourth, that it is necessary to restrict at this moment the consumption of the small consumers and that the dangers to the economy of such curtailment are less significant than the expected favorable results.

b. Freezing the salaries and wages to their present levels, at least until the end of 1979. The objectives of this measure are:

First, the restriction of consumption not at its present levels, of course, but at lower ones because it would be just a formality to ascertain that in periods of inflation and continuous trends of price increases, the purchasing power of the money incomes which remain constant is decreasing. Therefore, it is evident that this measure aims at restricting consumption to levels lower than the present ones.

Second, avoidance of the vicious circle in salary and price increases.

Third, no further increase in the deposits of the wage earners can logically be expected since their continually decreasing purchasing power will force them to curtail gradually the quantity of consumer goods they will be buying. Therefore, the measure increasing the interest rates should not be considered as a decisive factor of the tendency for savings by the wage earners who represent 42 percent of the economically active population of the country. Because it is needless to mention that the savings represent the amount left from the income after all the indispensable needs are satisfied. We should conclude, therefore, that the measure increasing the interest rates concerns all the rest of the "small depositors" with the exception of the salary earners.

At the same time, the appropriate authorities seem to believe that:

a) the strong inflationary pressures on the Greek economy are due mainly to the excessive salary increases and to the consumer behavior of the salary earners and that, therefore, it is justified to levy on them an indirect tax through salary freezing; b) the behavior of the 42 percent of the economically active population not only is the decisive factor of the inflationary rise in our country but, in addition, the sacrifice imposed on them is absolutely justified by the nonexistence of other alternative possibilities for combatting inflation and the inflationary mentality; c) the reduction of the public spending by 16 billion dollars.

This measure aims at restricting further the active demand which is created by the state and at limiting the intensity of the economic activity.

At the same time, it appears that the government agrees that public spending not only increases or strengthens inflationary pressures but it also belongs to that category of spending which can be .; that the adverse impact from such cuts will be less important than the favorable results; and that such cuts will be possible despite the government's announcement, and will convince many that even though in the past similar measures were not implemented or, more correctly, were implemented only in certain cases, this time they will be generally enforced.

c. The decision to apply for a foreign loan. Along with the announcement of the measures for combatting inflation, the government announced also its intention to obtain a loan of about 500 million dollars from foreign banks in order to cover current trade balance deficits as well as obligations from previous loans. The interest rate, according to projections, will fluctuate around the present 11.5 percent interest rate increased by 0.5 to 3.8 percent for covering handling charges. As announced to the press, the duration of the loan will be 10 years. I shall not be occupied with the aims of this additional loan because they cannot but be similar to the short-term objectives of all previous foreign loans. I shall, however, dwell very briefly on what seems to be a conviction on the part of the officials in their effort to negotiate this loan:

First, during periods when strict measures are promulgated for curbing public and private spending and for austerity, negotiating a foreign loan does not constitute a strong contradiction to the announced measures and will not have an adverse impact on the inflationary mentality. Second, in addition to the continually increasing degree of the Greek economy's dependence on other countries, the constantly increasing foreign debt and amortisations, as a percentage of the gross domestic product, preclude any significant future dangers and, in any event, the short and long-term advantages more than outweigh the disadvantages.

d. Liberalization of imports of consumer luxury goods. This measure is new among the many anti-inflationary measures both because its links with the rest of the measures are marginal or nonexistent and because its objectives are, first of all, so provocative to the overall economic reality as to create doubts in this writer as to if and to what extent it has been understood. We shall try, however, to refer broadly to the objectives of this measure as well as...to the contradictions on which it rests or to which it leads and...to the reason why the unfavorable results which will thus be created will be more serious than its advantages.

The objectives of the measure could be: a) restriction of the price increase trends in the domestic economy, under the influence of the decreased prices of the imported consumer luxury goods; b) restriction of the margin of profits by merchants and by industries of domestic products; c) channeling part of the domestic active demand to countries abroad and d) restriction



of the speculative mentality. Since the imported consumer goods, and for the most part the luxury goods, represent a particularly important part of the total consumption in our country, the reduction of their price domestically could indeed become an effective anti-inflationary measure. Anyhow, compared to all the measures previously mentioned, this is the most anti-inflationary measure both because it properly conforms to the conditions existing in the sector of consumer preferences of the Greek economy and because it is pursuing indirectly its anti-inflationary objectives. If, therefore, our only problem is inflation, if we are interested only in the present and not in the future, if we decide to strike directly at this problem and if we had to implement only one of the many aforementioned measures, then we would have chosen this one.

But, in reality, our enemy at this moment is inflation to the extent that it prevents the satisfactory functioning of the economy. If the measures to be implemented succeed in simultaneously annihilating both the economy and its enemies, what would be, one wonders, the degree of their effectiveness? They will be like the medicines which are compulsorily removed from circulation because they bring to an end both the disease and the patient. And let us dwell further on this measure for the following reasons:

First, since this measure will combat only one part of the problem, namely inflation, and it will intensify another one, namely stagnancy, such intensity will be due to the still greater devitalisation which will make its presence in the processing of investments, in the reduction of domestic industrial products and in the development of idle installations of production as well as in the increase of unemployment and under-employment.

Second, to the definite slackening of Greek industry which has no chance for horizontal expansion since the vertical one has already been eliminated thanks to corresponding measures in the past.

Third, increase of the degree of the country's dependence on countries abroad and consumption of imported goods. This will be the physiological result of the inescapable increase of the ratio: consumption of imported consumer goods to the consumption of domestic consumer products. It will also result in the substitution of imports in the domestic industrial production.

Fourth, to the increase of the real incomes (beyond even the increase of the money incomes) especially those of the self-employed who already prefer to a large scale imported consumer luxury goods. Naturally, if this measure continues to exist, then the salary earners also will gradually turn to the consumption of imported industrial goods, thus limiting still further the already narrow margins of the domestic market for industrial products.

Fifth, strengthening the very dangerous Greek demand for a higher standard of living even if it is not justified by the rate of domestic development.

Sixth, widening the balance of payments deficit unless the restriction of investments is so decisive as to substitute the imports of capital goods and raw materials with an increase in imports of consumer goods, and mostly luxury goods.

Seventh, the short need for new taxes due to the decrease in public revenues. This measure could also be interpreted as abandoning the Greek industrialists to their fate and perhaps as the beginning of a policy of new orientations (if, of course, such orientations exist) in our foreign and economic policy.

e. Control of prices and profits. This measure which I purposely left until last closes the cycle of the government anti-inflationary policy. I shall not be carrying coal to Newcastle when I observe that this measure applied to economies which basically, and despite the ineffective interferences, continue to depend on the market machinery cannot be implemented. If they could, then the Greek economy would have to face only the imported inflation which is of relatively low intensity and with which it has to cope despite all measures. On the basis, then, that both the overall level of the prices and the profits which follow the price trends will continue to go up, that in all probability the prices of farm products will be upvalued and that only the salaries will by necessity remain frozen, I shall proceed with the second part of my observations.

## II. Reasons for Noneffectiveness of Recent Measures

Our country has always been looking for solutions to its pressing short-term problems. It has continually neglected its most important structural ones; it has identified its position with economies more advanced than its own and tried to imitate their life styles; it has constantly overlooked the overall adverse impact from its dependence on countries abroad and applied spasmodic measures in its march toward economic development. Thus, it has succeeded in losing all important and historic opportunities which have appeared from time to time. The public sector was unable to disengage itself from the classic role which wanted it to be a mute bystander in the country's decisive economic developments; and it failed for many reasons--which should be sought in the development model used--to adjust itself to the developments of the fiscal role of the modern capitalistic economies. The only point of its adjustment is its continuous demand for a higher percentage from the gross domestic product. The recent measures against inflation should be placed in this more general framework.

The ineffectiveness of these measures is basically due to their wrong orientation, to the contradictions among them and to the unsound assessment on the basis of which the advantages will finally exceed any disadvantages. These measures could have been effective only if it had been previously ascertained that inflation--and, since 1974, the static inflation--is fed primarily and mainly by the consumer behavior of the wage earners. In such a case the sacrifices asked of them could be justified for the sake of

combatting the great enemy--inflation. However, in reality and as all relevant indications show, the opposite result is true, "that the consumer behavior of the wage earners not only is not inflationary as a whole but, furthermore, it could be anti-inflationary because it shows a great preference for domestic products and is in a position to encourage the production and the investments of the domestic processing branch; and vice-versa, the consumer behavior of the wage earners happens to be intensively inflationary to the overall Greek economy. It is mainly this behavior which feeds the great speculative scourge in the real estate sector; which demonstrates a sharp preference for imported luxury items; which indirectly discourages the productive investments in manufacturing and which daily increases the degree of dependence of the Greek economy on countries abroad."

For more information regarding this fact--which, moreover, under the existing conditions in the Greek economy should not need any proof--let me refer the reader to the O OIKONOMIKOS TAKHYDROMOS investigative report published in its issue No 34(1320) of 26 August 1979. Thus the recent measures which aim at curbing inflation by restricting the consumption of the wage earners while leaving free the constant increase in the income of the self-employed are in danger of leading:

- a. To tension and not to restriction of the degree of inflation precisely because the incomes which decrease the intensity of inflation are being restricted while the incomes which encourage inflation are being increased.
- b. To dangerous curtailment of the domestic economic activity; to strengthening the devitalisation of the investments in manufacturing; and to expanding the balance of payments deficit.
- c. To a decrease and not an increase of the savings by "small depositors."
- d. To strengthening speculation in real estate and to furthering expansion of the tertiary activity sector headed by the "footwork."
- e. To expansion of the country's public debt abroad thanks to the conclusion of the new foreign loan. In respect to this, let it be noted that on the basis of modern fiscal views the expansion of the public debt should be considered dangerous, not only when it increases in absolute numbers but when it constantly represents a greater percentage of the gross domestic product. On the basis of the official available information, in 1960 the country's public debt abroad represented 0.21 percent of the gross domestic product compared to 6.25 percent in 1976. On the other hand, the interest and redemption installments of this debt represented 0.71 percent in 1960 and 1.81 percent in 1976.

I will not touch on the subject of the social injustices and confusion which would result from the new measures if there were possibilities for their success. Moreover, similar sacrifices by wage earners are also being demanded by other economies of the West and of the Eastern block as well.



But in those countries the sacrifices have some meaning. They do not constitute, that is, simply and solely the easier solution. In addition, when the wage earners represent more than 80 percent of the total active population, the restriction of their income can, under certain conditions, become an effective weapon against inflation. Also, the extent of the social injustices caused by such measure is limited by the fact that the imposed sacrifices are finally being paid by the largest section of the active population and, therefore, their imposition contains elements of generality and justice. In our country, however, the wage earners represent only 42 percent of the active population and the picture is absolutely different. Because, regardless of whether or not the various measures the government introduces are effective, it is inconceivable that this 42 percent of the active population should be chosen to undergo the sacrifices which are always considered indispensable (a few years ago this percentage was smaller still). The government should be aware of the need to look for solutions oriented to the peculiar conditions of the Greek economy and not to those of the advanced capitalistic economies of the West. On this subject I would also like to point out that in addition to the very broad social injustices which in our country entail similar measures, due to the very small percentage of salary earners, these measures have, for this same reason, a priori miniscule chances of success. On the other hand, as basic contradictions of these measures one could mention:

- a. The fact that their aim is to increase the deposits by "small depositors" while at the same time they limit drastically the real income of these depositors.
- b. The fact that public investments are being restricted in an economy which suffers from insufficiency of private productive investments and which since 1974 faces the spectrum of a stagnant inflation long before it reaches the development stages which can justify such inflation.
- c. The fact that these measures restrict incomes which, through their demand, increase domestic production and which, for this reason, have anti-inflationary results while, on the other hand, the same measures support incomes whose demand is very inflationary.
- d. The fact that the government is negotiating a new foreign loan while at the same time announcing austerity measures which are imposed almost exclusively on the 42 percent of the country's active population.
- e. The fact that the liberalization of imports does not include capital goods so that a hope could exist that part of the traditional industry could be saved.

Finally, the fact that these recent short-term measures are in strong contradiction to what should constitute the long-term objectives of the Greek economy: vitalization of investments in manufacturing, vertical expansion of the industrial branches, purification of the employment



structure, awareness of the modern role of the public sector and modernisation of the social and economic structures.

### III. Proposals--Alternative Possibilities

I am including also this third part which refers mainly to the large category of those who will justifiably think that it is easier to criticize than to create. It is also a fact that under the present conditions of the Greek economy the role of anyone who dares to propose measures can be compared to that of a beginner chess player who is attempting to dethrone the world chess champion.

Despite all this, however, I shall attempt to propose certain measures, pointing out, however, that of greater importance at this moment is an awareness of the basic and chronic problems of the Greek economy because once this is achieved, the combination and the ideal arrangement of the measures to be implemented will be a matter of a diligent, in-depth study.

First of all, measures should be excluded which limit the incomes of salary earners and farmers because their reduction will shrink still more the margins of the internal market for domestic industrial products and will lead the economy to an impasse. On the contrary, it is necessary for the salaries to follow closely the increases in the prices' general levels and the changes of the work productivity. It is also necessary that readjustments of the tax scale should be made as soon as possible. At the same time, it is necessary to find methods for limiting the income of the self-employed. The restriction of these incomes, which besides the fact that they fluctuate in high levels since the work share compared to the cost of production is exceedingly low in Greece, would not have unpleasant overall consequences if such restriction was at the same time linked with other measures. The immediate impact of such a restriction would be the reduction of speculation on real estate and the improvement of the trade balance. On the other hand, an increase of the salary earners' income would lead to a substantial demand for domestic industrial products and it would be an incentive for investigating the productivity of new investments in manufacturing. This incentive, however, should be reinforced with other measures so that the revitalisation of the processing industry should not be limited to horizontal expansion as the case has been until now. In such a case, the public sector investments which should not be restricted under any circumstances could be decisive. They could abandon for a while their traditional and exclusive sector of carrying out infrastructure projects and, on the basis of a sound development program, they could undertake the establishment of certain industrial units which the Greek economy lacks completely even though it has absolute need of them. The privileges, tax exemptions, financing conveniences, etc., granted to industrialists should be intensified. They should, however, be granted on the basis of strict selection criteria and only in certain categories which satisfy basic conditions.

First, to those who really have decided to enter those sectors which have been judged as being of decisive importance to the development program. Second, to those who succeed in imitating successfully and in adjusting properly the technology of advanced economies to the needs of the Greek reality. The criteria for creating additional opportunities should be considered decisive because this is the only way to decongest the parasitic tertiary activity sector without looking for solutions from abroad (emigration). Third, to those who succeed in exporting without state assistance a significant part of their production.

With these measures it would be gradually possible:

- a. To expand the area of the domestic market for industrial products.
- b. To encourage investments in manufacturing and to hope for some improvement in its one-sided structure.
- c. To curtail real estate speculation and the industrialists should direct their profits in the branch they have chosen and not in areas outside this branch.
- d. To restrict the inflationary pressures through increased supply and not through the diminished domestic demand.
- e. To make compatible the pursuit of short-term and long-term objectives of the Greek economy.

This overall framework of the dictated measures in economic policy should also include measures increasing the income of farmers and restricting the importance of dealers of farm products--measures which render the efficiency of investments in housing lower than in productive investments and which would succeed in improving the operation of the public sector, et al.

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## MEDICAL COVERAGE FOR ALL CITIZENS PLANNED

Athens EPIKAIRA in Greek 11 Oct 79 p 50

[Text] As of January 1980, the whole [economically] active Greek population will be [medically] covered. The nonactive population has already the right of self-insurance. Thus, the program which now settles matters which remained unresolved for tens of years in the area of pensions is being completed with a number of regulations which cover all branches of working people including even the smallest groups.

"As of 1980," explains Social Services Deputy Minister Apostolatos, "all individuals in the active population are obligated to be insured. Unfortunately, since no awareness for insurance exists in Greece, we are compelled, in order to properly implement the insurance program, to impose sanctions not only on the employers who do not insure their personnel but also those working people who do not take out insurance..."

"In the meantime, a number of legislative arrangements assures the medical relief of the Greek people inasmuch as 1,600,000 insured persons and the members of their families are given the right for medical and medicinal relief.

"We are also searching for all others who belong to small working groups in order to arrange in a similar way for their medical and medicinal relief," said Apostolatos.

By the end of December 1979 all groups of the active population will be enrolled in the system of medical, medicinal and hospital relief. Already the following groups are covered:

- a. The pensioners of health services.
- b. The active employees of health services (a total of 75,000 persons in these two categories are directly or indirectly insured).
- c. The motorists and drivers of taxis, trucks, buses, etc., and their families (150,000 are directly insured and 225,000 indirectly).

d. The small shopkeepers through the establishment of a special health branch in the Merchants' Fund (68,000 persons insured directly and 115,000 indirectly).

e. The tutors of foreign languages, cinema employees, various groups working in industries and others (about 10,000 insured).

f. The pensioners of trades and handicrafts (331,000 directly and 457,000 indirectly).

g. Greek pensioners residing in Greece who are insured by a foreign insurance system but without medical and medicinal coverage.

Finally, a study is being completed concerning those elderly persons who did not belong in the past to any insurance fund and have no pension.

Apostolatos, who initiated the draft laws covering motorists, physicians, pharmacists and others with medical and medicinal relief, says:

"Following the developments in the area of pensions through the reorganization of the large branch funds (for the country's technicians, health service employees, etc.) and the progress achieved--the allowances more than doubled for Social Insurance Foundation pensioners--the government turned its attention to the improvement of medical relief for all insured persons. Until today the country's insurance system allowed groups of insured and whole insurance funds to have a pension branch but not a health insurance branch.

"Thus the phenomenon existed whereby the country's physicians, dentists, pharmacists and veterinarians were not covered medically and pharmaceutically. Even groups of insured persons with greater financial possibilities, such as merchants, did not have such coverage. However, with the administrative and legislative measures of recent months," concluded Apostolatos, "all groups are covered--1,600,000 insured persons."

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## AIRFIELD BEING CONSTRUCTED FOR PRIVATE PLANES, HELICOPTERS

Athens TO VIMA in Greek 13 Oct 79 p 9

[Article by N. Haseopoulos]

[Text] An airfield for private planes and helicopters is being constructed in the Marathon area of the old air force installations. The airfield will have a takeoff and landing runway 1,800 meters long and will be equipped with various radio devices. It is expected to be in operation by the end of the year.

While the communications minister (the most appropriate official to know about the construction of the airport) said yesterday that he did not know if an airfield is being constructed at Marathon, assistant director of the Civil Aviation Service Pnevmatikos pointed out that this new airfield will noticeably decongest the air traffic of Ellinikon [airport] as soon as it goes into operation.

Pnevmatikos said also that all private planes will be using the Marathon airfield not only for taking off and landing but also for parking. He added that Ellinikon is facing such air traffic problems that it has become necessary to have all private planes moved out of it.

The control of the air traffic at the Marathon airfield will be exercised by the Ellinikon control tower and the private plane owners should move their craft out of Ellinikon to Marathon as soon as the new airfield starts operations.

Indeed, the private planes have begun to create problems of "traffic congestion." It is estimated that about 500 private Greek and foreign owned helicopters and jet planes are using the Ellinikon airport every week. The lot for their parking is so small that many private planes are repeatedly forced to park at improvised airfields belonging to aviation clubs. Except for the expected reaction of the Marathon people—who suddenly "acquired" an airfield—the moving of the private planes out of Ellinikon was necessary. These private planes are using the same runways used by the civil aviation and military planes and often create problems to air communications.

But, no matter how things stand today, the airplane, and recently the helicopter, have entered the country's life. The first advertisements have made their appearance in the newspapers and magazines. "At 250 kilometers per hour (says an advertisement for helicopters) and with absolute safety you can reach your destination comfortably, without formalities, lines, delays. You take off from any place and you land exactly where you want to."

It is estimated that in Greece there are at least six importers who deal in helicopters and planes. In the first 6 months of 1979 alone, 10 planes and 12 helicopters were sold. These airplanes have extra modern equipment (usually) for blind and night flying with an operational range of over 100 kilometers. The same is true with helicopters equipped with turbo engines. Many of these imported helicopters have been bought by the air force and various public services. Importer D. Koundouris said that "Greece is an ideal country for helicopters because of its land morphology. Anyone can buy a helicopter as long as he registers the purchase with the Civil Aviation Service."

But the helicopters are not so cheap for every pocketbook. The 5-seater craft for recreational purposes sells for 250,000 dollars while the 10-seaters sell from 975,000 to 1.5 million dollars. Many private citizens have acquired helicopters mainly for business purposes--for transportation, air spraying, etc. But there are many who have bought helicopters purely for recreational purposes.

Already the first helicopter ports have been constructed at Lykavittos, Parnis, Perama, Attiki Forest, Elefsis Shipyards, Kavouri, Glyfada, etc. The helicopter importers claim that the craft are economical and if used for business can be paid off in 2 years. The cost of flying per hour is only....6,000 drachmas!

Planes are cheaper than helicopters. There are in operation many types of airplanes which belong mainly to members of aviation clubs. A 4-seater, for example, sells for 35,000 to 45,000 dollars and its price can reach 3 million dollars depending on size and type of engine. The owners of the airplanes must register with the Civil Aviation Service, must take out insurance against third parties and must conform to international regulations.

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## REPORTAGE ON MILITARY, COMMERCIAL VEHICLE PRODUCTION

Athens TO VIMA in Greek 14 Oct 79 p 9

[Text] Modern technology cannot ignore the automobile as a communication, transportation and recreational means. Already, according to extant information, in many countries of the world automobiles--in sufficient number, if not all--are running on a "new" fuel--a mixture of gas and alcohol [gasohol]. Of course, as Greek and foreign experts are pointing out, the use of this new fuel on a large scale is encountering many technical difficulties and obstacles in the already existing cycle of production and distribution of liquid fuel. In our country we have not yet succeeded in establishing an automobile-making industry. It is thus made clear that it is natural for our communication and transportation means to represent applications of foreign technology which, either as "know-how" for the automobile's use in this country or as applied auto technology, is imported from western countries.

Thus, as of now, in Komotini one of the nearly 135 subcontracting factories which operate in Greece and especially in border areas is manufacturing parts for special armored vehicles (fenders, chassis, frame beams, etc.) which are then assembled at the Salonica Sindos factory which, according to press reports, is about to come under Greek control. The manufactured vehicles which are destined for the Greek armed forces are being delivered at a monthly rate of 120 and there are possibilities that this number may reach 250 per month.

At the same time and according to existing information, negotiations are being carried out with five more units in the area of Thraki for the manufacture of parts for the "aforementioned company" which today is making commercial trucks, farm tractors, special army trucks, armored vehicles and standard engines.

The military vehicles being manufactured in our country have two or three axles. It is pointed out that with the supply of our army with such type of vehicles, which are considered as the best, we achieve one more basic economic advantage: The cycle of servicing the military vehicles is standardized thus achieving important savings of precious foreign exchange which is exported mainly for parts and service.

It is characteristic, moreover, that these special and armored vehicles are considered satisfactory from the point of view of quality and efficiency and from the possibilities of moving ability and maneuverability over very rough terrain and under any weather conditions.

According to Greek technologists in the automobile area, the construction of armored vehicles and personnel carriers on the basis of foreign technology constitutes a precondition of the highest order for further implementation of the modern technology in the construction of automobiles which would be able to satisfy the communication, transport and recreational needs of the people. Because, as these experts state, the introduction of applied foreign technology in auto-making is already being paid for dearly.

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## ENERGY CONSERVATION MEASURES BY INDUSTRY LAUDED

Athens TO VIMA in Greek 12 Oct 79 p 10

[Text] As pioneering must be considered the effort of five Greek companies to implement with absolute success programs for saving energy while increasing their productivity and reducing production costs. The five companies represent two units manufacturing chemicals and fertilisers, one industry producing health items, a sugar factory and finally an enterprise of basic synthetic materials. All these units have modernised their equipment with an aim toward saving energy and, especially, at reducing consumption of electricity. This was vividly demonstrated at the Public Power Corporation [DEI] pavilion at the 44th Salonica International Fair.

The ways for saving energy during this difficult time of the world energy problem were demonstrated by DEI with a number of models, films and slides in that area of the pavilion set aside exclusively for such a demonstration. As an example, the show featured industry in the Thessaloniki Nome, which produces various chemical products and fertilisers and which recently has applied remarkable energy saving programs based on the fact that large quantities of heat are being consumed and at the same time produced by chemical interactions during the production process.

In the above case the annual energy saving reaches a level of 9,500 tons of crude oil (masut) whose value corresponds to 52 million drachmas--an amount, that is, which DEI would have to pay for the purchase of electric current had not industry modernised its equipment. On the other hand, the capital yield reaches 45 percent which means that the debt liquidation will be completed in just 26 months.

#### Important Energy Saving

However, most typical is an industrial unit in the Kavala Nome which produces chemical fertilisers and where many energy saving programs have been applied. In one of the plant's production procedures for realising chemical reactions for the production of chemical products, high temperature (600-700 degrees Celsius) masut-burning furnaces are used.

Due to the high temperatures in the furnaces and the escaping fumes the thermodynamic efficiency degree of the furnaces is rather low and can easily become smaller due to various factors. By installing an apparatus which analyzes the furnace fumes, the excess oxygen in the burning fuel's products can be determined and this in turn makes it possible to determine (by an indirect method) and to monitor the furnace's thermodynamic efficiency degree. This determination allows for improving the degree of efficiency through various adjustments which can be made both in the fume exhaust line (through a chimney damper) and the fuel burners.

On the other hand, a combustion improvement was achieved through the use of additive substances in the mazut. This helped reduce the solid deposits in the furnace's tubes and, therefore, to curtail the drop in the temperature transmission factor.

Finally, this improvement in combustion curtailed the corrosion of the furnace's metal parts caused by the presence of sulfur during combustion.

The above changes helped improve the efficiency degree in a furnace by 15 percentage units and the solid deposits in the tubes by 5 such units. The expense for the above improvements totaled 50,000 drachmas and the annual energy saved represents 750 tons of mazut. The total annual savings are about 3.5 million drachmas. The capital yield is 7,000 percent and the investment return will be known within a few days.

The total changes made by this industry which produces chemical products contributed in saving 4,250 tons of mazut annually. These changes which yield 21 million dollars annually cost only 800,000 and of course did not have any impact on the overall operation of the factory.

#### Campaign to Enlighten the Broad Public

Yet, the central target of DEI's campaign concerns the reduction of electricity consumption in more familiar areas where the broad public is using it. Given that a consumer does not need but to exercise some greater care in the use of electric appliances, the saving of electricity can be easily achieved everywhere--at home, in the office or other places of work. For this reason everyone should know and apply the methods recommended by the experts, or as DEI advertises them in its timely campaign for saving electric energy. This, moreover, was DEI's target and message in this year's Salonica Fair--a message which is epigrammatically described in the slogan "Saving Energy in Theory and Practice." It is a message which springs from the necessity of the present conditions in our country and which contributes to the overall efforts being exerted to cope decisively with this colossal energy problem.

DEI has taken care to project in a simple and demonstrative way the national need to save energy, and thousands of visitors [to its pavilion]

have become aware of the fact that they too can easily and practically become crusaders in a campaign which will benefit the public as a whole and each individual separately.

Even when a house is built all the factors which help save energy can be taken into consideration. There are one thousand and one ways to achieve energy saving by installing the proper lighting in the office and all [commercial] rooms in general. Also considerable energy saving can be achieved at home by consulting the descriptive sketches included in the DEI brochures which have been distributed by the thousands. These brochures describe the many small opportunities for achieving the big result.

Here are some of the slogans in the brochures: "Cut down air conditioning. Do not leave the TV set on if you aren't watching it. The heating appliances should be used only when it is absolutely necessary since they consume more electricity than any other electrical unit. Use the elevator only to go to top floors. Use the proper cooking utensil on the corresponding burner of the electric range."

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## PENDELI QUARRIES FORCED TO CLOSE DOWN

Athens I KATHIMERINI in Greek 7-8 Oct 79 p 12

[Article by M. Karavia]

[Text] The Pendeli quarries were shut down with a law voted in 1977. "Better late than never," says a proverb. Unfortunately for Pendeli this "late" coincides with a total destruction. The mountain from whose guts the Parthenon marbles came--and we refer to the almost transparent, all-white marble the likes of which does not exist anywhere in the world--has been mistreated, as is known, in order to use the marble for the construction of Athenian apartment houses and their gutters and also in order to make rich the few who had the right to quarry. The strange thing is that this marble has disappeared completely since the time the decision was taken to shut down the quarries--since the time the enterprises were given a 6-month deadline to gather their equipment and move out. During this 180-day period the best marble on earth was blown into the air by explosive charges and its pieces strewn in the nearby lots. "Let it stay there...!" said the clever ones.

Even today oversized chunks of white marble remain in the nearby area. Who will claim them? Only those who have left them in the large, open, natural storage space. Trucks, cranes, a whole expensive procedure is needed to remove them. "Sometime they will be put to good use," the old masters of the mountain are saying. And this "sometime" may not be late in coming. The white marble is being sold today at 25,000 drachmas per cubic meter, and indeed it has become rare.

## Waste and Destruction

The press has contributed greatly in saving what is left of Pendeli. The few guards who are watching the bold mountain from one end to the other--the mountain which once was a monument of Attic beauty--are making it very clear: "If you are one of those who helped close down Pendeli, no, you are not going to get any information out of us."

We journalists, however, should not for a moment turn our eyes away from the mountain. The quarries are closed. But the profiteers lie in wait.



Moreover, no "information" is needed. The journey to the mountain, the tour from one quarry to the other, reveal the multicolored and precious flesh of the mountain as it is seen from the top of a crater many meters deep. Trucks heavily loaded with marble are still groaning along the narrow mountainous road. And the persons one meets as they "wander" accidentally around the deserted places are enough evidence for one to understand what has happened there and what is about to happen. Because, despite the fact that Pendeli is about to be included in the Athens zoning plan which has been in the making for many years, the other "plans," the dubious ones, are still existing as far as the mountain is concerned, just as are the plans for reopening the quarries and assigning them to some French company.

The "godfathers" with their Landrovers, their lowered straw hats and black glasses are still patrolling the area and they keep on negotiating. Despite the fact that only two factories are in operation making marble sand and in the process lifting clouds of white dust over the melancholy landscape, despite the existence of the law and despite the protests and the struggles, anything can happen since Pendeli has not yet been proclaimed a "national park" as it should have been long ago, and since--unbelievable yet true--it is still private property.

The whole mountain front, the side, that is, that faces Athens, is church property. More specifically, it belongs to the Petrakis Monastery. How, when and in what way the mountain became the monastery's property is another, very old story. What is important now is that the monks, who naturally were not in a position to go into quarrying themselves, have signed long-term contracts with private individuals, contracts which do not include a provision for the protection of this unique material, this aesthetic treasure that is the Pendeli marble.

#### Ancient Wise Ways

Ancient quarries existed everywhere and our ingenious forefathers have left us indelible signs on the mountain of how to properly extract marble. In the ancient quarries of Paros, for instance, the opening of the arcade was only 3 meters wide. The ancient quarry technician used the chisel the way today's artist sculpts his statues. And he slowly cut away the mass of marble without abusing the precious material which, hard as it may have been, never ceases to be living matter. He cut away the mountain's insides leaving its exterior intact. The prewar method of quarrying is well known. The quarrymen worked for 3 to 4 months continually on the mountain--their deserted small houses can still be seen dispersed here and there in Pendeli. They used to drive wet wood wedges in the marble cracks. As the wedges swelled the marble was split along its veins and the pieces were moved outside with the help of an explosive charge. Then dynamite in large quantities was used to blast away the marble whose pieces flew all over while Pendeli sounded like an angry volcano whose eruptions continued day and night. These quarries which have been exploited for 2,000 years have been slowly exhausted.

No one, of course, will be sorry if the marble goes out of use as a construction material. Moreover, it is not practical for such jobs--it gets dirty easily and is worn out when used for steps and hallways. What is important--especially in Greece where sculpture was born--is that the white Pendeli marble is not at the disposal of artists. Those who know this material say that even the Dionysos quarries on the back side of the same mountain differ in quality from those in Pendeli. The marble there is also white but it is harder and often has green streaks which create unpleasant impressions in a work of art. An exclusive role then can be given to the Pendeli marble--a role that could resurrect Pendeli: give it to the artists, give them the whole area and the remaining marble. The misuse of the mountain in recent years has broken the ground for new, better uses, thus confirming once more the saying that "nothing bad is devoid of good." The huge buildings which house the old quarries can become workshops for which the state could charge a small rent. And let no one think that taking care of the arts and artists is not a state duty. One can find a good example in the city of London which offered deserted warehouses--the St. Catherine docks--to the artists at low rates. One could mention, too, the historical marble quarries of Carrara where so much artistic activity takes place...

Thus Pendeli could be given new life. After all, in such a case some of the historic quarries such as the Vathy Vemma, the Spilia of Koldinaras or the Solinaris quarry could be put in operation again using the old, traditional and sure ways of extracting the material--perhaps with the employment of old quarrymen who are still living and working--thus removing from the white flesh of the Attiki mountain what marble is left and offering it exclusively to the arts.

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## PCI'S STAND ON PRAGUE DISSIDENT TRIALS

## Pajetta Interview

LD050927 Milan L'UNITA in Italian 24 Oct 79 p 16 LD

[Unattributed report on PCI Directorate member Gian Carlo Pajetta interview with LA REPUBBLICA 23 October: "Pajetta's Remarks"]

[Text] Rome--In connection with the Prague trial, Gian Carlo Pajetta states in an interview published by LA REPUBBLICA yesterday: "We Italian communists do not legitimize a legislation whereby dissidence or infringements of a political nature are branded as acts of espionage or even as complicity with the aggressive plans of other powers. Unfortunately," Pajetta continues, "errors, violations of solemn human rights and even misdeeds are neither new nor isolated, even where production relations have changed and where there are no justifications--if we can call them that--connected with the defense of privileges, the right to property, the quest for profit and the requirements of exploitation."

Pajetta told the interviewer, who asked him whether laws such as the current law in Czechoslovakia on which the trial is based do not harm socialism, that "millions of men, women and young people throughout the world believe that socialism should be, or hope that it can be, a solution to the crisis--not only economic and social but also moral--which is shaking capitalist society. I do not believe that acts such as the ones which have been and are being committed in Prague will encourage them in their activity and their hope."

In answer to the question whether the law on whose basis the Prague trial is being judged is a socialist law, Pajetta replies: "Even the Catholics who burned the Protestants or the Protestants who burned the Catholics declared themselves Christians. They would have been profoundly convinced that they were."

Pajetta ends the interview by saying: "In Czechoslovakia the fundamental problems have not been resolved and therefore it is deemed necessary to govern with coercive methods and to threaten more of them, to maintain a situation of relative equilibrium which might otherwise be seriously upset."

PCI Communique

LD050925 Milan L'UNITA in Italian 25 Oct 79 p 1 LD

[Apparent text of PCI Secretariat 24 October communique: "'Strict Condemnation' of Prague Sentence From PCI"]

[Text] Rome--The PCI released the following communique on the Prague trial yesterday:

The trial of the Czechoslovak citizens accused of subversion and the sentences inflicted on them there are grave and inadmissible facts.

The PCI expresses its most strict condemnation of the conduct of the Prague public authorities and of every form of administrative and penal persecution of the free expression of ideas, criticism and political dissent.

The PCI, in accordance with its principled positions, stresses the need for the observance of citizens' freedoms and political democracy, in all situations, and stresses that violations and breaches in this field, occurring in countries which have freed themselves from capitalist exploitation, inflict serious damage on the image and ideals of socialism in the world.

The PCI trusts that the Czechoslovak authorities will heed the criticisms and requests which have come from so many sides and abandon at last all practices violating democratic principles.

CSO: 3104



## 'L'UNITA' REPORTS BERLINGUER MILAN SPEECH ON PCI STRATEGY

LD 71139 Rome L'UNITA in Italian 28 Oct 79 pp 1, 18 LD

[Report by Ugo Baduel on PCI Secretary General Enrico Berlinguer 27 October speech in Milan: "Country Needs Stronger PCI"]

[Excerpt] Milan--Only a party such as ours, Berlinguer said, can rebuild trust--trust in a form of socialism which, as we conceive it, is very different from the kind already realized in several countries, but one which we consider possible and the only specific hope for the future. And it is thus--because of its desire to transform existing society and to transcend the narrow limitations of capitalism--that we consider our party "different" from the rest, potentially capable of a greater force of attraction and greater motivation than the others.

Now--after the termination of whatever solidarity was created after the 3 June elections, in which the PCI suffered considerable losses--our predictions are coming true. That is, the PCI's losses have led to a deterioration of the situation in all fields. There is considerable uncertainty in the political situation; we are faced with a government with no sense of direction, with no authority, unable to look ahead and plan ahead and with gloomy prospects in the economy and in an increasingly fragmented social situation.

All this, Berlinguer added, in an international framework which is deteriorating on all levels. Having pointed to the PCI's positions on the international issues (particularly its correct and wise position on the "Euromissiles," for which the Italian communists want any authorization to deploy new weapons--especially dangerous because of the impossibility of monitoring them--to be preceded by negotiations aimed at verifying the present arms situation and a balanced reduction), Berlinguer discussed domestic policy issues. We are, he said, waging our battles from the opposition and along a critical line of attack on the present government, but also putting forward our own positive proposal for making the country governable, namely a national unity government. Of course we are not proposing this solution because we are greedy for ministerial posts, and whoever knows us is well aware of this. We are proposing it because we

are aware that it is not entirely true that one can exert as much influence from opposition as one can from the government (Berlinguer was answering here the arguments raised in a speech made at the section meeting). From opposition a party such as ours can of course influence decisions a great deal, but always within certain limits, and the issue of government and participation in real power is still a decisive one (though we are not lapsing into false hopes regarding the "control room," but thinking constantly of a firm link between government initiatives and pressure from the masses). Without a government change (which is not close at hand, perhaps, but nonetheless necessary) we cannot of course consider developing our austerity policy, whose lofty objective is not only to repair the damage done to the country, but to introduce elements of thorough change into society, to change the quality of life.

The starting point for such a plan lies in the realization of greater left-wing unity, and this was the point of the recent meeting between ourselves and the socialist comrades. Leftwing unity must produce political initiatives which can mobilize great masses of people throughout the country, and bring about real changes in the balance of forces. This is the point of the rapprochement with the Christian Democratic Party [DC]. Do we perhaps have in mind a rapprochement with the DC as it is now? Certainly not. Our initiative must lead to changes within the DC itself. We will certainly not wait passively for these changes to take place, nor will we allow ourselves to be led astray into unconstructive games.

Next Berlinguer discussed the recent meeting between the PCI and DC delegations on the topics of the so-called "institutional reform." It became quite clear on that occasion, he said, that the DC was aiming to lure us into an unending series of meetings of political delegations and experts involving all the parties of the old majority. We replied quite clearly as follows: If it is a matter of tackling a number of problems concerning the functioning of the institutions--problems which are indeed very pressing--then very well, let every party prepare its proposals and bring them to Parliament where they can be discussed openly with a view to reaching useful unitary solutions. If, on the other hand, the intention behind these indirect routes is to resume the entire discussion of the overall program, including economic and social issues, while evading the central problem of the political guarantees of its implementation, then we repeat that we do not approve.

Indeed, we have already discussed programs at length in the past; we have formed majorities--on those same programs--which have also borne positive fruit, but experience teaches us that eventually, especially when the more innovative points in those programs are reached, the DC becomes recalcitrant and countless defaults and delays occur--in other words, that a majority is insufficient and that one must govern together to implement a joint program.

## BRIEFS

PCI CC MESSAGE TO CPSU--Rome--On the occasion of the 7 November anniversary the PCI Central Committee has sent the CPSU Central Committee the following message: Dear comrades, on the day of the 62d anniversary of the October socialist revolution we are pleased to convey, through you, the Italian communists' cordial and fraternal greetings to the communists, workers and peoples of the USSR. Our greeting goes hand in hand with wishes for best success in realizing the objectives which you have set yourselves and in the further development of Soviet society and the attainment of better living standards for all its citizens. On this occasion we wish to confirm our desire to work for an intensification and expansion of relations between our peoples, to mutual advantage and in the more general interests of détente and peace in Europe and throughout the world. We also wish to confirm our wish for the development of the friendly relations which exist between our parties, within respect for mutual autonomy and in the spirit of international solidarity. [Text] [LD091019 Rome L'UNITA in Italian 7 Nov 79 p 1 LD]

CSO: 3104

## NEW SECOND CHAMBER CHAIRMAN DOLMAN INTERVIEWED

Amsterdam ELSEVIERS MAGAZINE in Dutch 29 Sep 79 pp 154-161

[Report on interview by Alice Oppenheim: "New Chairman Dolman: 'If Necessary, I Can Badger Provocatively,'" ; passages in slantlines printed in italics/

[Text] Ice-cold passion. That characterization was ascribed to PvdA [Labor Party] politician Dolman when he succeeded Vondeling as chairman of the chamber. "I rather liked that term with respect to my political performance," says the new chairman in an interview with Alice Oppenheim. Behind the bold approach, for that matter, hides a too-little used acting talent.

In the nice but coldly antique chairman's chamber he looks like a Leiden student who has to take an important exam in a few moments. He might be called at any moment. His welcome is so formal that candor becomes constraint. The new chairman of the second chamber is not a "nice fellow." "How do you process the questions and such that you thought up beforehand in this interview? You must not forget that, it seems to me. Especially what you yourself think and find."

When 5 minutes later we walk through the Binnenhof to the Corona Restaurant on the Buitenhof, he walks as if he were dressed in a toga. His grey-blue suit looks good on him. He is 44 years old, but from behind he still looks like that student because the back of his head is somewhat Dennis-the-menace-like. At the table the atmosphere remains formal, but not cold. "Essentially," he says absentmindedly, "I will order the same thing you do. Of course I do care to some extent. I want to be able to say no, thus in that case I will . . . but I am not a gourmet who is looking for something very special or is knowledgeable in that respect. Moreover, you probably eat more when you eat out than I do. My wife is very home-loving, and rather likes to be made a fuss over. But to organize something herself, to go out together downtown, no, she does not find that too interesting . . . I myself wouldn't mind once in a while. To go to the theater together, etc. But when I spend an evening with her once in a while, she is already happy enough that I am at home."



Silence, but he does look at the menu for a moment. "Fish? Always good in The Hague." When the waiter comes he passes on the orders and lingeringly glances over the other dishes. Then he calls out decisively: "Yes, regular for me too, without the sauce." The waiter says enticingly: "a little glass of wine?" "Yes," Dolman nods immediately. The headwaiter guesses: "Chablis?" The answer again comes immediately: "Yes, and make it a big bottle, then we won't run out." The taperecorder is turned on for the voice test. "Yes, they say that my voice is even higher than that of Andriessen. I don't know what the reason is, but I've sometimes thought that I sang too much when my voice was changing. Loud singing in the shower. Singing along in the St. Matthew's Passion at the piano. Something was forced then I think, because I did not inherit this sound." He clears his throat; he has cold eyes. "One doesn't hear it oneself; it sounds heavier in my head. I'm always startled when I hear it [played] back: Oh, that's I." But he does indeed have that voice; it's more the shock of: it is not so nice. "I used to like acting when I was a student. A senior good-naturedly warned me . . . it's really a shame that you didn't act in the period of the silent movies." A little thawed, he says: "I really acted quite well, but things always snapped on the voice test." As if encouraging himself, he says: "Oh well, it does suit my lean figure, doesn't it? It would have been awkward if I had wanted to be a populist politician, someone who had to depend on public performance. But I am not that type, also for other reasons. If you want to reason objectively, reservedly and business-like, you're not attracted toward populism.

With the wineglass loosely in one hand, the other hand loosely in the thick, blond hair, he explains: "I think it is very strenuous to be a populist politician. To address auditoriums every night, to give interviews. A lot of personal mail. Very little family life. That type of political life becomes rather tiresome after a while. Repeating, again and again confirming a certain image, respectively artificially creating it. Always worrying about the question of how one should react to the events of the day. How do things go? Oh, all that would annoy me rapidly. No, everything goes much more sensibly the way I've done it in the past years, and I feel fine this way. Of course it is rather pleasant to see a photo of yourself in the paper, and you could say: "He sees that he cannot attain it, so he doesn't aspire to it. But I believe that what I say holds true . . . ."

By nature Dolman does not have a sunny appearance. On television he often looks a little /dour/ and he says what he has to say so tartly that many a man who isn't really anticipating his political commentary is somewhat startled, or simply gets a fright.

Sitting at the other side of a restaurant table that appearance remains discouragingly reserved for the time being, but that dourness could have been worse. "When I was nominated chairman by the parliamentary group, Chavannes wrote in the NRC [New Rotterdam Newspaper]: /"ice-cold passion./ And I rather liked that term with respect to my political performance." Dolman knows long passages from that interview by heart, quotes from them and then says:

"But politics often demands extreme tartness." He sighs, and says about 5 times in exactly the same manner Den Uyl does it: yes, yes, yes and then adds: "At times I tremble on my legs. One mustn't give in to that. Actually, I'm rather emotional. /Not often, but it does happen. / And that has nothing to do with a cracking voice or with hand gestures, but rather with intensity. But it also has happened to me that after making a point at the lectern, I returned to the bench and Ed van Thijn asked me: Were you serious? When I make a point it is more because I enjoy it rather than because I am really angry. When I am really angry I control myself and become ice-cold. And not only in politics." Haya van Someren said in an interview: "The current political debates are the earlier cockfights." Dolman nods contently and says in a cracking voice: "I have no desire whatsoever to change that. In fact, those moments of ice-cold passion give me the greatest satisfaction. I experience them as high points." He stutters a little. "Effect? No, perhaps not, but that is not the most important thing at such a moment. Then one thinks that the other person is unfair, plays tricks, does not respond to arguments . . . Possibly indignation enters into it also, but it is certainly also the desire to come out on top in a discussion, not because of machismo or electoral aspects, but because that other person is hitting you below the belt."

Dolman admits that as to performance and choice of words he has a lot on his side to hit others below the belt. "Yes, but one doesn't know that. I try to avoid it, but it does indeed happen sometimes that someone is hurt by my words. Not often, I try to avoid it. A sort of escalation is included in any debate. If others have a nasty debate together, I get an amused reaction; curious, isn't it? I can't get angry about others being hurt. Then I get, what do you call it, empathy, and sometimes also the impulse to help someone. As a spectator it is also a sort of theater, God's theater. . . they're killing each other, that's interesting."

The hair on the back of his head is standing straight up: /"If necessary, I can even badger provocatively,"/ he says proudly. "Here in the Netherlands debate is not considered an Art; people don't like it. But there are some who do it admirably . . . Ed van Thijn, Henk Koning . . . I think it's great. Annelien Kappeyne has her very own style. She's about the only one who can get away with saying Your Excellency in a very nasty manner . . . 'I don't think I understand at all what you're saying, your Excellency,' she says then." He smiles, imitating excellently. It is indeed a pity, that voice problem.

Dick Dolman is from Empe, a village near Zutphen. It is not surprising that both his parents used to be educators. "Yes, father was the head of a public elementary school. I've been told often enough that it is noticeable. And on top of that I am an only child, and I've also heard often enough that that is noticeable also. A certain conceitedness. Yes, that's what they say . . ." In student-like terms, his eyes almost friendly, he says: "It was very pleasant there. I was in my father's class and also called him father. It happened very rarely that one thought I was being favored."

He must almost certainly have been the Brightest Little Boy in class. His hands and head continue to be occupied with the fish. Emptying his mouth . . . and: "Yes, I was, but I hope it was not in an arrogant sense, but factually. Yes, I can't help it. Although . . . at the beginning I was smart, A's and B's. But on my final exam I had more C's. I was a steady worker though, and failing was never a real danger. I was always ambitious to do it correctly, to be ready on time, not to rush through and to prepare in advance." He crackles mockingly: "So, good, now I have finished not only tomorrow's homework, but that for the day after tomorrow also. That provides elbow room . . . doesn't it?"

In a normal tone again, he says: "And I have always preserved that characteristic. As I used to be . . . fair, diligent . . . I hope my two children are that too." On a certain question, he answers: "Yes, that's what it looks like. My son has it even a little stronger than I do. He has been in high school for just 3 weeks now and for the first few weeks he was very tense . . ."

There is a little glimmer in his eyes and a little twitch around the mouth. /"Am I loosening up a bit?/ Yes, that's what I thought, yes, yes, a little. You wanted to come and visit us at home, but I decided against that, in consultation with my wife. At home we have a family language, and there are certain things only the four of us understand. Words which are incomprehensible to others, which have had second meanings for a long time. I am always a little rigid at the beginning, also at a party. But when there are nice people I have a very good time."

In the Corona hotel also they had the unholy idea to draw up an accoustical screen; a whining tango is followed by a pop version of ballet music. "That's Tchaikovsky," says Dolman absent-mindedly, because he is being distracted, and afterwards: "Unsure of myself? No, not very often. Perhaps I should offer my excuses for that, ironically speaking, of course. But I think that some people would find such a statement conceited, thus I'll simply say it in this interview. That's the way it goes in the Netherlands. I hope I do not make a conceited impression."

He does. So what? "Yes, so what . . . again, that is also true. Actually I feel very content and well-balanced. Publicly things have turned out O.K., haven't they? Two years ago, entirely unexpectedly, I was about to be kicked out of the chamber for rather non-political reasons. Fortunately it was solved within a few weeks, but it was difficult for a little while. The chairmanship also came through. I felt rather triumphant and happy when I became chairman. Did you expect me to say that?"

Yes, that was indeed the expectation. When someone gets what he wants that is nice, a piece of good fortune. Dolman assents, closes up a little, but does say: "Perhaps I look so rigid during the first contacts because I was an only child, because in any event I didn't have a sister. By asking me now what has worked against me, you are establishing a fact. I don't think it left me with a trauma."



"And it really never caused me great difficulties; it never caused me sleepless nights . . ." Momentarily he does not make sense, looks a little helpless and therefore pleasant. "There was a little problem, a very little one. Earlier I did not find it easy to make contacts with women. It was not as if I were waiting to see how things turned out or as if I tried all sorts of things, no, for a long time it was not easy to establish that type of intimate contacts. I was too serious right away, wanting to marry right away. Too idealistic in a certain sense. /Now I know that also profound human contacts start with something superficial; I didn't realize that too well at the time./ However, that is the way it went with my wife also, and it succeeded after all. Looking back, I can only be elated about the result, but earlier, during those moments, it was a little problem, whew. My marriage is good, couldn't be better."

Only 44 years old and already chairman of the chamber. Primarily a sitter [pun]. Dolman again tosses his hair and for a moment he looks as if he has just returned from the hockey field. "I think that at some time I will become restless and I do not see this as a final post. After 5 years of being the spokesman for finances in the parliamentary fraction, I wanted something different. One has his own little hobby-horses, but one cannot ride them forever, thus one tries something new. One hasn't lost interest in politics, but one would like to play something different on that stage. Just as an actor wants something different after 200 performances. If the second Den Uyl cabinet had come about, I would have had the public health post. But that didn't happen. To be frank, already at that time the thought was in my mind that perhaps it would be nice to become chairman of the chamber. In '81 of course. And then you start making plans for yourself . . . first this . . . then that, you fill that in for yourself."

When Dolman became chairman, Harry van Wijnen wrote in HET PAROOL: "Vondeling always closed the chamber at 11 pm, but now things will be different, because Dolman is a known burner of the midnight oil." "No," says Dolman indulgently, "I've never been that and I never will become that; I cannot take that physically. If I stay up through the night, I am not human the next day, and I need 48 hours to recuperate. Alcohol definitely doesn't agree with me either; I rather like it, but no . . . it is not good for me."

After his student days Dolman became a civil servant. First he was in public health, later in economic affairs. "Preparing for politics, I'd like to add immediately, because I already wanted to go into politics when I was 16. That's why I studied economics. Economic studies are directed more toward general public developments than law is."

Father and mother Dolman are liberal-protestant. Dick left the church when he was 16. "From my firm conviction and without problems with the family. I never had deeply religious feelings; getting into mischief and then being afraid God sees you. When I was 16, I was in a camp in the United States for 2 months with boys from many different countries and with different religions. At that time I became aware that there was no special belief . . . Afterward I developed serious objections to Christianity - - the apostolic aspect of Christianity: I am the Way, the Truth and the Life. Many Christians don't take Christianity serious enough; they identify



religion too much with the first and second commandments. But that is not what it is, there is an entire dogma behind it. To conquer the world, without violence it is true, but with thoughts and dogmas, I find extremely pretentious." He looks up and shoots out with a high voice: "Socialism also? How did you get that idea? To the extent there is a current in socialism which wants that, I have the same objections to it. As a member of a party you cannot expect to be friends with everyone and to get along, in a manner of speaking, with the whole world. The difference between the church and a political party is that the church is a community of ideas and a party is a community of goals. /I also have objections to the existence of a declaration of policy./ I don't participate in that, I always find it presumptuous to expect that a national party which has 35 percent and strives for 45 percent can be based on common principles, and this has deep meaning for me. The principles are too personal for that. I think it's already good enough if every 4 years one succeeds in drawing up an election platform. Compromises have to be made for that. You don't make compromises with a principle. You can hope that you share your principles with your spouse, and even that is not possible 100 percent."

He starts to resemble that poisonous frog from the TV again. Then he suddenly says very calmly from his high, proud head: "I am a socialist because I think that there are still millions of people in this country who are not doing well, certainly not in a relative sense. That which is unjust is not the absolute standard of living of the lowest-paid, but the feeling of prosperity in relation to one's neighbor. In the Netherlands also, prosperity differences in money, in spending opportunities, in authority, and in social freedom, are still completely intolerable and distorted. Not defensible in any manner. Thus you have to do something about it. I have a great emotional aversion to people who are well-off and to the manner they show their haughtiness. But I agree with you that one must not be sentimental about people who are not so well-off. For well-off is indeed a relative concept. The weaker elements in society . . . that is a conceited term. There's something hypocritical in it. Lord, I thank Thee that I am not weak. You cannot agree with the manner in which the PvdA people are drawing votes, but someone who is really interested in politics should overlook that. He should look at the content, not at the form. I admit that very many voters don't get to that any longer because the politicians are forced to give more attention to form and rhetoric than is admissible." It is quiet, after all those words. "Well," he says, "I am happy that I am allowed to discuss politics also," and he empties his glass of prosperity in one immodest gulp. He is absolutely unaware of the fact that also he radiates the conceitedness which so often surrounds people who are well-off. That conceitedness for which he has such an emotional disgust.

After 4 weeks of the chairmanship there is nothing much concrete to report on the new job. Receptions and ambassadors which "so far" are rather fun. The 200 written chamber questions he has seen and which annoy him sometimes because they are composed in very bad Dutch, often verbose, sometimes even unintelligible. The contacts with members of the chamber and parliamentary chairmen are convivial. "A little visiting here and there. I really have my nose right in it now."

I think that there ought to be fewer members of the chamber. We would get things done just as well with around 100/120 people. The electoral threshold would be a little lower. There would be two or three fewer parliamentary groups, and three or four large and medium-sized parliamentary groups would remain. And then, there is a specialist for every department. Currently there are two for every large parliamentary group. Do you think that those two divide matters up mutually? Indeed no, both of them read great stacks of mail and papers. Not from a point of view of rivalry, but that's the way it's done. Further, the first chamber has to go; I am only mentioning it for the sake of completeness, because I know it won't happen anyway. They thwart the second chamber much more often than one thinks, I don't like that; the first chamber should not again give a political judgment."

On Lubbers: "I believe," says Dolman, "that he is doing it in a very enthusiastic- and not unskilled manner. It is possible that he is self-effacing, but I nevertheless have the impression that he is rather enjoying everything. I would never have thought that. In the morning he is often the first one present in the building, at 8 am or 8:30 am already. And organizing in that parliamentary group with those blood-groups is not simple. He does it with much less of a personal cachet than Den Uyl. The latter had been gone but 2 weeks, and promptly things went much better organizationally. As parliamentary group chairman, Van Thijn is better. But when it is a matter of performing in the chamber, Den Uyl has much more self-control than Lubbers. At times Lubbers acts very emotionally. Just before the Easter recess he again jumped out of his skin with rage all of a sudden, without motives in my opinion. But then, it only lasts for a little while. Rietkerk is not trying to get into the limelight. I think he is not being treated too kindly by some (may "some" read this). He is very honest, and admits that a political opponent is right if that is so. Joop [Den Uyl] finds that difficult to do; he simply grins a little then, while Rietkerk simply acquiesces. But he is terribly dry, you know. He never tries to embellish a story. [Perhaps he doesn't know how.]"

Dolman looks unmoved, doesn't excuse anything. He says things the way they are. Their things, actually.

Dolman's subconsciousness is of a more complicated make-up than his reserved approach suggests. During the day everything is under control, but at night things go wrong sometimes: "I have two permanent dreams, more or less nightmarish. Although I don't wake up bathed in perspiration, I am rather happy to wake up. The first dream is that I have to take the final high school exam, and I discover that I have neglected my Greek for 4 years. And now I have to make up that Greek in 1 week, which is not possible, of course. The second dream is actually pretty much the same. A doctoral candidate in economics, and another 6 exams to go in 3 weeks . . . it is incomprehensible why I keep on dreaming that, for, as I already said, I have never been pressed for time and I never got to an exam at the last moment. But the frequency is decreasing, thank goodness . . . Say, how about using first names from now on?"

MARIO SOARES ON ELECTIONS, OTHER PARTIES

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[Interview with Socialist Party Secretary General Mario Soares, by Maria Joao Avilez; date and place not given]

[Excerpt] [Soares] These elections are very important. Do not doubt it.

[Question] Are they much more difficult for you than in previous years?

He does not reply directly and begins to assail the Democratic Alliance which, in the event of victory, "will open the door to enormous instability in all sectors of national life."

[Question] Very well, but where would we be headed?

We would be headed into the catastrophic picture he draws of a possible victory by the Democratic Alliance...

[Answer] "I am going to explain something to you. I visited five districts this weekend and I return very encouraged. The rural population, traditionally dominated by bosses, is not going to want to lose its rights and privileges which, though very small, were achieved by them. Look, the people understand these things; they are not going to let themselves be deceived."

Soares is really confident that "no one is going to let himself be deceived," which in his opinion "only shows that the people are intelligent and understand that almost everything is wrong in the Democratic Alliance." Like himself, who hastens to enumerate those errors one by one:

"In case of victory, the AD will change the whole present system--and it was Dr Sa Carneiro who said so. They will change the election law, which will immediately give them more influence because of a new arrangement of the country; they will revoke the principal economic and social laws, overturning the nationalizations and imposing only private banking; they will

revoke the law on the General Bases of Agrarian Reform which, it should not be forgotten, the Social Democratic Party voted in parliament; the law that delimits the public and private sector; the law-framework of the referendum through which they will modify the constitution without respecting the rules of constitutional reform; the..."

[Question] If the PS wins, it will not change hardly anything?

[Answer] "That's not the point"--he becomes a little irritated--"Of course, it is necessary to change many things but that should be done within the existing context."

[Question] I have an idea that you once said that this constitution does not please you at all.

[Answer] "No. I have never considered it a last ditch. I am in favor of respect for the constitution. You must be confused. And how about Dr Sa Carneiro? Do you remember what he said? That this constitution was the most social-democratic constitution in the world."

But he did not drop the subject and again assails the AD:

"The logic of the present system immediately leads to a confrontation with the president. Have you ever seen what it is for a parliament to vote laws that the president of the republic later is distressed to promulgate? Two blocs engaged in struggle lead irreversibly to great instability. Not to mention the agitation in the world of labor," Soares insists ever more strongly, and is alarmed about the "capitalists."

"It is for all of that that I think that the great economic interests that are behind the AD are committing a fatal error. Which once again confirms that the upper class is not yet used to the sophisticated struggle of the pluralist Democracies but are nostalgic for Salazarist protectionism."

He looks at me from his big chair: "Did you write that down?"

[Question] Which are those economic interests?

[Answer] Well, they range from some of the old economic groups to others that are being created now or are improving their organization.

[Question] Do you recall how in 1976 those and other economic groups in one way or another opted for you? Why do they not repeat it now?

[Answer] Ah, because I am of the people. I am a socialist. My plan benefits the world of labor. In 1976? There are historic times, particular moments when all rally around whoever can best protect them. That was the time of the communist threat.



[Question] The communist threat was in 1975 and I am talking to you about the time of your First Government, when you had practically the whole country in your hand. About your government that fell as the result of the approval of a motion of censure in the parliament. What makes you think that it will be better now?

[Answer] The measures the socialist government took are beginning to loom now. In my opinion, our plan is the only consistent one for the development of Portuguese society without confrontation or violence.

[Question] But that is not what I asked you. Simply, what makes you think that if it returns, it will be better than the others? Or better than what it already was.

He gets up and begins to pace back and forth in the little office.

[Answer] Well, all the governments that succeeded us used largely the programs and the course opened up by the PS. And when we look back objectively and remember the chaos of 1976, perhaps people will recognize that they owe much to the PS. And besides, the Socialist Party is the right to freedom. Do you know that that is going to be our slogan?

A Good Score? Of Course, It Is Possible

In a better mood, he sits down again, crosses his legs and speaks now about election results, if possible, with even more optimism.

[Answer] "A good score? Of course, it is possible." He even seems to find it a strange question. "We can even increase, rising slightly. Drop? Yes, of course, but it will be a small decline, which will only confirm popular confidence in the PS."

More seriously: "The thing is that if we drop below 30, the alliance wins. But I am convinced that many leftists not affiliated with the PS are going to be obliged to vote for us. At the same time, that will also occur with a large part of the electorate of the center abandoned by the PSD. As you can see, it is not a matter of optimism but of reality. The reality of things."

[Question] How do you explain, or rather, how do you justify to yourself the fact that people whom you classify as democrats such as Sa Carneiro and Freitas do Amaral are engaged in what you "consider completely wrong."

[Answer] I consider them democrats, yes, but what is happening is that the AD has a dynamic of its own. Except for the outcasts of the newspaper A RUA, all of the extreme right is actively supporting the conservative bloc. That has a sociological force that transcends the intentions, which I want to believe are not antidemocratic, of Sa Carneiro, Freitas do Amaral, Ribeiro Teles or Balsemao. We have seen the extreme right use personalities which it later drops. It happened with Eanes. The same thing is going to happen with Sa Carneiro.

[Question] It is?

He does not reply. I get the feeling that he is far from underestimating Sa Carneiro. Without ever displaying hostility toward him, he, nevertheless, does not disguise the fact that he is not very pleased that a possible political partner of his—by far the most probable in the current political context—has fled from him in this way "into the arms of the extreme right," as he says.

#### A Big Kettle of Fish

[Answer] As far as I am concerned, the explanation of Sa Carneiro's having accepted that bloc—which furthermore, he only apparently heads—lies in the fact that he recognized that his party has become very small, having been abandoned by the most able personalities. I even believe that he agreed to the joint lists to camouflage the absence of people of quality to present as standard-bearers of the party. That is what leads him to have to resort to the poor reformers... Did you write poor?

[Answer] I wrote poor.

[Answer] ...who will give him many headaches.

[Question] Why?

[Answer] Because they used Sa Carneiro now as they used the PS in 1976 and Eanes in 1977. The headaches will come when they, in turn, abandon Sa Carneiro due to opportunistic interests.

[Question] Who are the poor reformers?

He says quickly: "I am only speaking of the five who are going on the lists"

[Question] But the others...

With a magnanimous gesture: "But who knows, Dr Medeiros Ferreira, for example, in the town of Mioes where I was yesterday.

[Question] And the group of personalities who are said to be going to sign a manifesto of support for the AD? Do you also include that group in a combination of opportunists?

[Answer] No. Those retrogressed and today represent what in Europe is called the "intelligent right." Put a parenthesis in there and write that, in my opinion, that right is not very intelligent. But be that as it may, there were some of them who were dazzled by well-thinking high society, by economic interests, who today cannot bear the legitimate demands of the workers..."

[Question] Who, for example, was dazzled by all of what you say?

[Answer] Vitor Cunha Rego, for example. But getting back to the alliance; of course, Sa Carneiro and Amaral can sing praises of the cohesion of the bloc. Personally, I cannot believe in either its cohesion or its solidity; and that, both in victory and defeat. If in victory, I ask myself how is Sa Carneiro going to handle that whole kettle of fish. In addition to that, the solidity will not withstand the erosion of power; if there is a defeat, they will immediately blame one another. Since that bloc represents more of a solidarity of interests rather than a political agreement, in case of defeat, the differences will break out. I repeat to you what I told you a little while ago: the Portuguese people are perfectly aware of this.

[Question] Of what?

[Answer] Of that lack of solidity. Furthermore, I have figures. Do you want to see them?

He gets up and shows me a survey that he recently learned about.

[Answer] As you can see, I do not speak by intuition or by heart.

That Erosion Is Past

[Question] The Portuguese people are always the same, since the beginning. Do you not fear that those people whom you are telling me about have not forgotten that your government action was not perfect? About the erosion it caused to your image?

[Answer] Ah, my dear, that was in 1978. That erosion...that's already past.

[Answer] Touche. Shall we go on? You seem to be much more bothered by your right than by the left, which continues in that direction. What will happen if Sa Carneiro turns to you in the event that the AD does not win these elections? It is said that that is one of his options.

[Answer] In recent years, we have seen him make such tactical turnabouts that we cannot exclude that one, too.

[Question] But would it suit you if that should happen?

[Answer] I will not reply to that question.

[...]

[Answer] Very well, if you will not retract the question...the truth is that Dr Sa Carneiro as a member of a bloc does not have any point of convergence with us. If he returned to his social-democratic ideals, things would change.

[Question] Do you like him?

[...]

[Question] I ask that because your relations have always caused me to wonder.

[Answer] My personal relations were always good...

[Answer] I recall when they were not good at all.

[Answer] Then, write "cordial," all right, that is better. In certain periods, we had more contacts; in others, less, according to the political exigencies. Whenever we have had more contacts, it has been possible to establish certain points of convergence, notwithstanding our political concepts, our family origins...He is the son of a countess, I am the son of a modest republican, a humble person; in short, different origins and backgrounds. But I respect him, as I do any of the party leaders, for that matter. One does not get to be the leader of a political party with impunity. Professor Freitas do Amaral, I admire him. He in fact chose a centrist option when he approached us but the pressure of the rank-and-file of his party, who are really reactionary, forced him to choose a completely different option.

He paused: "And you know why? Because he feared that Sa Carneiro would polarize his bases of support. After that, they began to outbid one another to see who could go further to the right."

#### Eurocommunism Losing Speed

[Question] Are we going to turn to the left?

[Answer] ...and speak of the Portuguese Communist Party (PCP)? I can tell you the same thing I told Enrico Berlinguer, with whom I had a very fruitful and deep conversation.

[Question] Before that, what do you think of Berlinguer?

[Answer] I already knew him; I had already met him three times. Well, he is not a comrade of mine but he has a great political personality. Getting back to the talk I had with him, when he tried to tell me that there had been a change within the PCP, I replied that Alvaro Cunhal combines enormous tactical flexibility with a completely rigid strategy. He is capable at the opportune time of hiding the hammer and sickle and even the name communist, but he does not depart from Leninism one millimeter; and, when it appears opportune to him, of making an assault on power by antidemocratic methods.

[Question] How did a man like Berlinguer, who considers himself a Euro-communist react to that?



[Answer] Well, I think that Eurocommunism is losing speed. For a communist leader, it is always easier to be a Stalinist even though without confessing it, than to be a Eurocommunist. Berlinguer is in trouble within his own party.

[Question] How do you see the evolution of the communist parties in the Western world?

[Answer] Completely blocked. At least in the next few decades due to the fact they cannot succeed in becoming alternatives of power either by the revolutionary route or the reformist route. That is why the votes for the Communist Party are protest votes, but useless for the establishment of a leftist plan in Portugal.

He laughs: "Did you write that last part? Because I like to twit the communists once in a while."

His daughter Isabel enters the room: "Oh, Isabel, now you have taken over my nightshirts?"

The Great Patriarch?

After coffee (courteously given to this reporter by the "house"), I continue to look at him and regret that the day is not long enough to satisfy the various things I am curious about.

[Soares] What else would you like to know?

[Question] Everything about your party. You have, as you said, just twitted the communists about being virulent to the AD. And how about your party? How long will it be possible for you to prolong your situation as the eternal arbiter, of great patriarch above all the differences, of...

[Answer] "There you go."--he laughs--"They have been saying that for 3 years. Naturally there are susceptibilities. The essence of my party is to have a broad spectrum that ranges from revolutionary socialists to democratic socialists. All of that around the mortar that unites and consolidates: a mortar called democratic socialism."

[Question] Does it exist?

[Answer] The dialectic tension within a party is highly positive and wholesome. You said that I arbitrated; that is a completely false idea. There are no arbiters. What an idea! What exists in an organization, a party structure.

[Question] I reiterate that your image is definitive for the success of the PS. It is almost like the heart and the blood of the PS.

Soares hesitates: "There is in fact an emotional link between me and the rank-and-file, made out of a lot of love but also out of a lot of criticism. But, look here, it is not univalent. Do you want to see this?"

He shows me a small decal with his picture and the phrase: "Soares, Portugal needs you." "I do not even know how it showed up there in the party...they are little symptoms of selfmanagement."

[Question] Which reinforces what I am trying to tell you, that everything centers around you: the book you are going to publish, with five reporters, to come out before the election campaign, that decal...

[Answer] The book is going to be an objective talk during which five reporters, all very different from one another, will ask me whatever questions they want. That decal appeared. But it could have appeared with any other person. With Arnaud or...

[Answer] It could, but it did not and that is what I want to get at.

Soares smiled. One need say no more. He is the great patriarch. And afterwards? I ask him about two or three names that are talked about and mentioned behind the scenes as possible successors.

[Answer] Am I some sort of king, to say who will succeed me?

[Question] It is said that you sometimes mention the names of Cuterres, Sampaio...

[Answer] You are forgetting Gama...

[Question] I thought it was the secretary general of the PS who forgot a little...

A look of amazement: "What an idea." And he tells me that he likes everybody very much.

[Question] How about Vitor Constancio?

[Answer] Ah, that one combines technical and political background with great human qualities.

And without a transition: "But what more do you want of me. I have to take a bath and shave."

## Challenge

[Question] A few days before beginning this marathon, what is your dominant feeling?

[Answer] Laziness? Fear? Not at all. A great enthusiasm, I believe it is a challenge. It is in difficult moments that I feel capable of giving the true measure of my potential. In addition to that, there is something that interests me greatly and that represents one of the newest aspects of this campaign: I am going to carry it out, in large part, together with my wife.

[Question] And from now until then?

[Answer] Not even one free weekend, nor a moment of rest. I work 20 hours out of the 24. Nafarro: I can't even think of being able to go there for some time. But that is not the worst...it is the regret I have of not being able to attend the American movie series at the Gulbenkian. I am an inveterate movie lover and that American series specifically was very tempting for me.

[Question] In addition to that, what do you regret not being able to do during this period?

[Answer] Many things. I go to expositions a lot, for example. But I will especially miss the conversations I usually have with friends, where we do not talk about politics. We spend many evenings here talking about and discussing interesting things such as history, art, books.

[Question] Which one are you reading at this time.

[Answer] "This one." He shows me the latest book by Jean Daniel, sent by the reporter himself. "See how far behind I am in my reading. This book has already been out for several months."

[Question] Which newspaper do you like most to read?

[Answer] PORTUGAL HOJE.

[Question] I already expected that party obligation. Make believe that the newspaper is not yet on the newsstands.

[Answer] Then I won't say it, the reply will not please you. It is O JORNAL.

I laugh because it is also his JORNAL, a little...

[Answer] But I also read yours. Do you want to know what I read? The editorial, always, the analysis of Rebelo de Sousa, and sometimes the interviews.

He laughs: "You can't complain."

He is called again to the phone. He seizes the pretext with both hands. "All right, now we are going to end this. I want to go and shave. It is almost 1 o'clock. You are very pleasant but..."

CUNHAL CALLS ON PS TO DEFINE ITS POSITION

Lisbon AVANTE in Portuguese 25 Oct 79 p 10

[Excerpt] The national conference of our party "for a democratic victory" defined the general policy regarding the elections.

In summary and merely as a reminder:

Objectives in voting for the Assembly of the Republic on 2 December: To defeat the right, keeping it in the minority; to confirm a democratic majority specifically of communists and socialists and considerably increase the number of deputies of the Portuguese Communist Party (PCP) by voting for the United People's Alliance (APU).

Objectives in voting in the elections for local government organs: to considerably increase the number of votes and number of persons elected from the APU to the organs of local government in order to achieve the absolute and relative majority in a larger number of municipalities and parishes.

We have stated and continue to state that these results are perfectly within our reach.

On the result of the elections to the Assembly of the Republic will depend the political composition of the assembly and, therefore, the legislation which the assembly will approve.

On the results of the elections will also depend the composition of the government.

When the constitution establishes that, in appointing the prime minister, the president of the republic must take election results into account, this does not mean that the party receiving the largest number of votes, being in the minority, has any right to form a government by itself.

The same can be said of a coalition of parties that has more votes than any other single party.



This is so obvious that Freitas do Amaral and Sa Carneiro, anticipating that their parties will be in the minority, have declared that they "do not want" to form a government if they do not have an absolute majority. They say "they do not want" but in reality "they cannot." In saying that "they do not want," the leaders of the Popular Democratic Party (PPD) and of the Social Democratic Center Party (CDS), after all, are acting like the fox who said, after he could not reach the grapes: "they are not ripe; they are no good."

Mario Soares takes a different position. Although he cannot reach the grapes because he knows very well that the Socialist Party (PS) will not have the majority in the assembly (nor anything like it), he does not say that they are green.

This means that the PS continues to think of forming the government. But since it does not explain how it thinks it can do that being a minority party, the PS leaves the voter in complete ignorance of what will be the policy of the PS after the elections.

For the voter to cast his vote in the ballot box, it is not enough to like this or that party. He needs to know what government the party he votes for proposes to form or to support, and what alliances it is going to make to form a government.

The leaders of the PS have declared (even through its secretary general) that the principal objective of the PS in the elections is "to prevent the right from gaining the majority" (5/10/79) and that the only alternative to the reactionary alliance is the PS.

But how can the PS alone defeat the right and be an alternative if it is a minority and without any doubt will continue to be so?

The question of the alliances of the PS thus appears to be a key question in order for the voters to be able to vote for the PS aware of what policy and what prospects they are voting for. In this area, the PS has still not clarified its position.

At our national conference, we insisted on the need for that clarification. After the elections, what will be the position of the PS with regard to the formation of the government? Since the government needs majority support in the assembly and no party by itself will be able to give it, with whom does the PS think to ally itself in order to form a majority and a government? With the PPD and the CDS or with the PCP? Or, being unable to form a government by itself, will the PS let a PPD/CDS government be approved in the assembly (as it did with Mota Pinto), in the delusion that once the PPD and CDS discredit themselves in the government, the PS will have the possibility of recouping in the 1980 elections?

How does the PS respond to these questions?

The note from the PS press office on 16 October, responding explicitly to the questions raised at our national conference, insists that, as regards the formation of the government after the elections, the PS does not abdicate its right to examine all possibilities for the formation of a government and to judge the expediency of its decisions "without having to give an accounting to anybody."

Naturally, we do not want the PS to give us, particularly, an accounting of anything. But what we do believe is that in an election period, in the matter of defining a policy pertaining to the formation of the future government, any party has to and must give an accounting to the Portuguese people, and particularly to its own electorate.

As for the possibility of the PS permitting a PPD/CDS government to be approved, the note is no more reassuring. The PS note does not reveal any commitment by the PS to the electorate.

The note ends as follows: "The PS does not feel obligated to enlighten Dr Alvaro Cunhal on the eve regarding what government it will or will not permit to be approved in the assembly."

We do not wish, in this case, I personally do not want (the PS can be absolutely certain of this) the PS to enlighten me particularly about this crucial matter.

What we do believe about that is that the PS has the obligation to enlighten all of the electorate, not on the eve but right now, before the elections.

Because if it does not clarify this matter, how can the democratic voter vote for the PS? So that a PPD/CDS government may be formed with the green light of the PS in the assembly?

Repeated statements by socialist leaders increase our concern even more.

Mario Soares, for example (13/10/79), declared that "nobody within the PS has ever defended an alliance with the PCP and nobody will ever do so." At the same time, he admits that the PS may reach a government agreement with the PPD.

This idea is expressed, reiterated and remarked very frequently. Alliance with the PCP, no; but with the PPD, there may be.

The positions assumed by the PS reinforce even more the idea that an effective vote for democracy can only be a vote for the United People's Alliance (APU).

Only a mass vote for the APU is a guaranteed vote against reaction and against alliances with reaction.

Only massive voting for the United People's Alliance can create conditions so that the numerical democratic majority can become a real political majority, the parliamentary and popular foundation for the formation of a democratic government in which communist participation becomes essential, as all the experience of Portuguese political life since 25 April has well demonstrated.

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## AMARAL INTERVIEWED, OPTIMISTIC OVER AD'S ELECTORAL CHANCES

Lisbon A TARDE in Portuguese 26 Oct 79 pp 1, 12

[Interview with Prof Freitas do Amaral, president of the CDS (Social Democratic Center Party), by Sousa Dias; date and place not given]

[Text] "To combat inflation, promote prosperity and guarantee security" are the three main objectives of the Democratic Alliance program, aimed at the establishment of a society with a "great desire for change," and "of a Western, decentralized, pluralistic European type."

Opening a series of interviews with personages who will surely play a major role in Portugal's future, Prof Freitas do Amaral, president of the CDS, talks with A TARDE today.

Freitas do Amaral calls for the creation of "a new society which will be capable of meeting the desires, needs and aspirations of the vast majority of the Portuguese people." The CDS leader also stressed that the members of the Alliance are not essentially concerned with "apportioning power, or distributing positions or favors among its members," but rather with "diagnosing our country's ills, and trying to find the proper remedy for them."

A TARDE: How would you interpret the current political situation? Last weekend, the secretaries-general of the PS [Socialist Party] and PC [Communist Party] admitted that the AD [Democratic Alliance] might win a relative majority of the votes. Does this mean that the time for change is coming closer, and that the defeat of those parties has been recognized in advance?

Freitas do Amaral: I believe that the time is approaching for a substantial change in Portuguese society and in the public activity of our country. Actually, these elections will afford the Portuguese people a great opportunity, on their own and through their vote, to make deepseated transformations in the way in which the country is being governed, in the solutions to the major national problems, and in the style and manner of conducting public affairs.

There is a great desire for change in Portugal. The majority of our people are not satisfied, and feel that this is not the way in which Portugal



should be governed. The Democratic Alliance, on the one hand, constitutes the beginning of a response to that desire for change; and, on the other, calls for a series of very significant transformations, as noted in its electoral program of government.

We do not propose any violation or abuse of the fundamental principles of the democratic regime, or of the concept of a pluralistic political democracy, as it is understood in the most demanding Western countries. The transformations that we advocate are modifications in the economic, social and educational policy, founded upon the need to lead Portugal toward a society of a European type (pluralistic, decentralized and Western), instead of a bureaucratized, collectivist, nationalized society, such as that germane to Eastern Europe, or one marked by bizarre experiments, such as that of Portuguese "original" socialism.

#### An Absolute Majority Is Possible

As the elections approach, the Portuguese people are realizing the probability of a change and the possibility of being able to make that change through their votes. I am convinced that this will happen, and I interpret the statements made by the PS and PC secretaries-general as an admission of defeat at the outset. Both of them recognize the fact that the AD will be the major Portuguese political force, through the majority that we shall attain. No one has any doubt of this at the present time.

The doubt lies in ascertaining whether or not we shall obtain an absolute majority of deputies in Parliament. I am certain that we shall. If we add the number of deputies that the PSD [Social Democratic Party] and CDS elected in 1976, we shall find that both parties had 115 deputies in the Assembly of the Republic. In the next Parliament, 126 will make an absolute majority; and this means that we need only obtain 11 more deputies. I believe that this is within the scope of our potential, although we shall have to work hard to achieve it on 2 December. That is the great appeal which the constitution of the Democratic Alliance issues to the electorate, particularly to the moderates who want Portugal to be governed like most European countries, based on solutions marked by liberty, a market economy, and social progress achieved in peace and justice.

AD: the Useful Vote

A TARDE: Will the AD govern even with a relative majority?

F. do A.: If we have only a relative majority, we shall not form a minority government. This is obviously a very farfetched hypothesis, because we are convinced that we shall win an absolute majority. But, in the event that we did not, we feel that a minority government should not be established, nor should a coalition government be formed with the Socialist Party. There is no political force between the Alliance and PS to run in the elections. Therefore, either we have an absolute majority or the PS-PC left will have it.

We do not think that the PS would be able to form a majority government, because it could only do so if it concluded an agreement with the Communist Party. Consequently, the only useful vote is for the Democratic Alliance, inasmuch as the latter represents the only possible coherent majority in the next Parliament.

A TARDE: Could the recent bomb attacks in the districts of Evora and Faro, compounded by past incidents in Alentejo, be a way of creating an atmosphere of instability in the country which would be detrimental to the elections?

F. do A.: I think that this was the purpose, but the results will not be accrued. There has, in fact, been an attempt at destabilization in the southern part of the country, partly to subdue the government further and to make it more subservient to the Communist Party from the standpoint of the implementation of the Agrarian Reform Law. The PC always goes as far as it is allowed to, and this government has let it go too far. It has placed very few obstacles in its path, and it has not been firm in its positions vis-a-vis the Communist Party; so that the PC is continuing with its boldness, multiplying and reinforcing it, thereby attempting to reap dividends in terms of agrarian reform. There is a second purpose, namely that of destabilizing the situation in Alentejo on the eve of the elections, so as to intimidate the moderate electorate and thus attempt to win a higher percentage than it would under normal conditions. We are certain that it will not succeed in this; people will not allow themselves to be intimidated.

On the other hand, there must be a forceful demand that the authorities obey the law and guarantee the rights of the citizens, specifically, freedom of conscience and the necessary peace of mind, so that each one may vote according to his convictions and not be limited by any kind of coercion from the Communist Party.

#### CDS Will Not Back Eanes

A TARDE: At its recent National Council meeting, CDS did not make any statement regarding the possibility of Gen Ramalho Eanes' running again as a candidate in the next presidential elections. When will there be a decision?

F. do A.: As a result of the behavior that Gen Ramalho Eanes has adopted in the presidency of the republic, the CDS reached the conclusion some time ago that the PR [president of the republic] has not been exercising his mandate in its entirety, nor does he fit the profile that we deem feasible for the country. Moreover, it appears to us that the PR has become increasingly dissociated from the fundamental options of his own electorate, feeling disengaged from any special duties or responsibilities toward the latter, and considering himself equally answerable to those who elected him and those who opposed his election. Furthermore, in relation to the CDS, General Eanes has assumed positions which we consider flawed, specifically

when, after having been elected by three parties (PS-PSD-CDS), he publicly stated that the ideal government in his view would be a PS-PSD coalition, excluding only the CDS. Hence, the CDS obviously cannot back Gen Ramalho Eanes again as president of the republic, if he should perchance run again. This very decision has already been made by our National Council.

#### The Alliance Is Strong

A TARDE: From that standpoint, do you consider the recent PS bids to the PSD for after the elections to be a logical series of events?

F. do A.: Both the president of the republic and the PS are concerned with having the Alliance dissolved and not survive beyond the elections. However, this is only "wishful thinking" and it will not occur.

I am certain that the AD will win with an absolute majority; but, if it does not succeed in doing so, it will remain united and will put up opposition, as a bloc, to any leftist parliamentary or presidential governments which may be formed after the elections.

The AD's accord is aimed at an understanding which will last at least until 1984; and I am sure that there are excellent conditions making it possible for the unity and cohesion of the Democratic Alliance to exist even beyond the next elections, in any event. I might also add that the text of the document founding the Alliance states that none of its members shall conclude any agreement alone with the Socialist Party. Hence, the PSD, CDS or PPM [Popular Monarchist Party] cannot make any agreement with the PS in an isolated manner, under the terms of the Alliance's text. And they have already decided that they will not do so as a bloc either. The AD will not be dissolved either in the government or in the opposition.

A TARDE: Do you think that the PR might still act against the Alliance?

F. do A.: What he may do, he may do. But I am sure that he will not do so; at least he should not. The president of the republic is not a partisan organ, and he cannot pursue a partisan policy. If the Alliance wins the elections, as I expect, and with an absolute majority, Gen Ramalho Eanes will have to appoint an Alliance government, according to the rules inherent in any Western democracy. And, thereafter, he cannot start trying to destroy the Alliance, because that would be a strategy of disregard for the popular vote.

For our part (and despite the fact that we shall not back his candidacy again), we hope to be able to establish between the AD government and him a loyal relationship of cooperation, if there is reciprocity in evidence on his part. This would be until the end of the current presidential term, in other words, during 1980.

A TARDE: What about the distribution of positions among the Alliance's leaders in the event that it wins the elections? What will your position be?

F. do A.: First of all, the Alliance is not essentially concerned with apportioning power, or distributing positions or favors among its members, but rather with diagnosing our country's ills, and trying to find the proper remedy for them. We have carefully considered the serious crisis that the country is experiencing, in an attempt to find the best solutions to the problems, and it is on this that we have focused our attention. We have not made any distribution of posts nor of ministries; nor shall we do so until after the elections.

However, it seems normal to me that the party leader with the most votes in the AD should be proposed, if he accepts, for the position of prime minister. As for the Alliance's other leaders, time will tell. Insofar as I myself am concerned, my only goal is to serve the country in the position that is regarded the most useful and fitting. All the stories that have been circulating about the distribution of positions in the Alliance are, therefore, premature.

#### Priorities for the Major Problems

A TARDE: What type of development will the AD foster for the Portuguese society if it wins the elections?

F. do A.: We have tried to devise a realistic, pragmatic and efficient program which will make it possible to attack, as a priority, the main problems that are affecting the Portuguese people. We have subjected our program to three basic objectives: to combat inflation, to promote prosperity and to guarantee security.

There is an urgent need to combat inflation in a country and at a time wherein the high cost of living keeps rising and hitting a large number of people, hurting the most defenseless ones first. We cannot continue living in Portugal with price hikes of the kind that have been imposed on the Portuguese people. For reasons of justice, economic balance and social justice, inflation must be combated staunchly and effectively.

Promoting prosperity is also essential in a country wherein there is great backwardness and enormous injustice, and the living standards and conditions for existence of the population are the lowest in Western Europe. It was precisely to eliminate this backwardness and to solve these problems that 25 April seemed to have occurred; and yet, after over 5 years, nearly all the promises remain to be kept....

Finally, it is a priority objective to guarantee security, because the lack of it is becoming increasingly felt. Today, we are experiencing daily insecurity, insecurity with regard to increased crime, the dangers of modern life, the constant devaluation of the escudo, the maintenance of employment,



health, etc. In short, there is insecurity involving both the body and soul, for the present and for the future.

To combat inflation, promote prosperity and guarantee security are the three objectives which we propose to attain. We shall develop our campaign on the basis of, and around them, for the purpose of building for the Portuguese people a better life, a more just society and a more promising future.

We do not intend to engage in very original experiments, nor to traverse the paths attempted on 11 March. We do intend to build a Western, pluralistic, decentralized European type society, wherein the state performs only its own functions and not those of others; a civil society with genuine autonomy with respect to the state and the public authorities; wherein the citizens will have greater freedom of decision and wherein the responsibilities are distributed through the social entity by means of daring programs for regional and municipal decentralization; a society in which the private sector and free enterprise will be able to expand and give free rein to their imagination and creativity. In short, a new society which will be capable of meeting the desires, needs and aspirations of the vast majority of the Portuguese people, who have suffered greatly but who have a right to be happy. The Democratic Alliance intends to help them achieve that happiness.

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CSO: 3101

## PCTP/MRPP LEADER ON PARTY'S ELECTORAL AIMS

Lisbon A TARDE in Portuguese 19 Oct 79 p 13

[Text] Arnaldo Matos, who heads the list of the Portuguese Worker's Communist Party Movement for the Reorganization of the Proletariat Party (PCTP/MRPP) for Lisbon told our newspaper: "The very near future will show without room for any doubt that the holding of interim elections in December not only does not represent a political measure aimed at safeguarding and promoting the meager freedoms and scanty democracy gained by the workers and people's movement but represent exactly the opposite: an expedient by the dominant class and parliamentary parties to lull them, diverting them from the struggle for their basic economic and political interests and to reinforce the system of the exploitation of labor and of the workers.

"The defunct parliament and the parties that comprised it did nothing useful for the life of the people and for the future of the country but succeeded like no one else in gaining the scorn and hatred of the country and the people whom they continually trampled underfoot. The dissolution of the parliament and the scheduling of interim elections, therefore, is no more than a desperate attempt to save a political institution that the people scorn and to wipe the dirty faces of the parties that the people accuse," declared Arnaldo Matos.

According to that leader, "The truth is that when for almost the first time in its recent history the parliament installed a government and approved a program, when it finally agreed on what to do, that is when it was condemned to dissolve. Up to December 1978, the time of the installation of the Mota Pinto government, it was argued that the assembly should not be dissolved because the people were tired of elections; and now the assembly has been dissolved, imposing three national general elections on the people in a period of 6 months. It might be said that for the president of the republic and the parliamentary parties the art of politics consists in creating a hunger for elections among the people and then satiating them."

The PCTP/MRPP is contending in the interim December elections in all election districts, its aim being to counter the program of the parliamentary

parties and their satellites with a political program of a workers, democratic and popular government; a program of struggle for national independence, for the broadest freedom and democracy for the people, for land for rural wage-earners and poor farmers, for bread for the industrial workers and all workers; against the policy of the successive governments of selling the country piece by piece, of attacking the gains and rights secured by the popular masses, of high cost of living, of firings, unemployment, reduction of real wages, of hunger, of disease and poverty."

In conclusion, Arnaldo Matos wished to call attention to, and "make known to the patriotic and democratic public, the fact that despite the high-sounding statements of the president of the republic and the government to the contrary, my party does not have and has not been guaranteed the freedom of publicity, of information and the equality of rights which the parliamentary parties believe they can reserve exclusively for themselves." Thus, "the PCTP/MRPP continues to be impeded and hindered by the public powers from freely expressing its viewpoints and its positions specifically through the so-called state-controlled media, which continue to be a monopoly no longer of the National Union and the old Portuguese News Agency (ANP) but of the heirs of their estate, the PCP and the CDS, the PS and the PSD and their respective running dogs," concluded the number one man of the PCTP/MRPP for the Lisbon district.

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CSO: 3101

## UEDS LEADER SEES LEFTIST VICTORY ON 2 DECEMBER

Lisbon A TARDE in Portuguese 23 Oct 79 p 13

[Text] Lopes Cardoso, the number one man of the Union of the Left for Socialist Democracy (UEDS) for the Lisbon district declared that "After the elections there will not be an absolute majority of the Democratic Alliance (AD) in the Assembly of the Republic," although he admits that there may be a relative majority, that is, that the AD may get the largest number of votes.

Nevertheless, "the left will have the majority in the assembly, the problem being how to prevent that numerical victory of the left from being transformed into a political victory of the right as occurred in the previous elections in 1976."

In Lopes Cardoso's view, in order for that not to happen "the representation of the UEDS in the new assembly will be important, and I am confident that others will think the same in order that our presence may be sufficiently representative so as to be able to play an important role in the attempt to prevent that numerical victory of the left from being transformed into a political victory of the right."

Engineer Lopes Cardoso explained that the UEDS plan has two different aspects. "There is an overall political plan to be considered, summarized in the party label itself, when we speak of socialist democracy" that plan "is based on a self-management society," while in terms of elections, it establishes the members of the UEDS as "the interpreters of the real problems of the Portuguese people, for which we have concrete proposals to present in many areas."

Lopes Cardoso believes that the major part of the electorate of the UEDS will be "what it was in the past, the electorate of the Socialist Party (PS), the party responsible for the votes its lost." The UEDS will try to "mobilize the disenchanteds with the PS, that fringe of the electorate that identified itself with a certain plan that was abandoned."

Thus, Lopes Cardoso believes that "it is necessary to give that electorate a voting alternative so that it will not abstain."



## PS, PCP PROPOSE CENSORSHIP FOR STATE-OWNED PRESS

Lisbon DIARIO DE NOTICIAS in Portuguese 19 Oct 79 p 2

[Text] The Press Information Council yesterday approved a recommendation to the directors of the state-controlled newspapers not to support or criticize any of the forces contending in the elections.

The recommendation, originating with the Portuguese Communist Party (PCP), includes changes proposed by the Socialist Party (PS) and censures the actions of the directors of the newspapers A CAPITAL and O COMERCIO DO PORTO.

The proposal was approved by 10 votes against seven. The PS and PCP voted for it and the Social Democratic Party (PSD) and the Social Democratic Center Party (CDS) voted against it, Julio Antunes (CDS) told the Portuguese News Agency (ANOP).

The communique distributed at the end of the meeting adds a petition to the Ministry of the Media to explain to the O COMERCIO DO PORTO that it is public property subject to the laws that affect the state-controlled press.

In the statement accompanying its vote, the PS pointed out the obligation of objectivity that is incumbent on the state-controlled press on the eve of elections. It said also that it cannot fail to censure the behavior assumed the O COMERCIO DO PORTO and the A CAPITAL.

The PSD, in turn, criticized what it considered the [words missing] by the PCP in 1975 and by the PS in 1976, and declared that approval of the aforementioned proposal is a "demonstration of the collusion of the parties of the former Marxist majority.

"The O COMERCIO DO PORTO is not public property nor is it part of the state-controlled press," according to the PSD.

The CDS criticized the actions of the present minister of the media and considered that the proposal aims to "silence" the state-controlled press "in very important matters."

Finally, the PCP declared that the statements of the PSD and CDS "let the public know that those parties consider it legitimate to use state newspapers for campaigns of support for certain parties."

## BRIEFS

RELATIONS WITH LUANDA THREATENED--In Lisbon yesterday, Prime Minister Maria de Lourdes Pintasilgo granted an hour-long audience to Venancio da Silva Moura, deputy foreign minister of the People's Republic of Angola, who is here as a member of the Angolan delegation to the 5-day world conference of solidarity with the Arab people and the Palestinian cause, which ended on 6 November. Andriano Sebastiao, the PRA ambassador to Lisbon, was also present at this meeting. Afterwards, the PRA deputy minister, commenting on UNITA leader Dr Jonas Savimbi's planned visit to Lisbon, said that the visit would seriously affect Portuguese-Angolan relations. He told journalists that during his meeting with the Portuguese prime minister he had discussed the increasing opposition to the MPLA by people living in the Portuguese capital, apart from broaching other matters. He said that Luanda wished to build a new climate of relations with Portugal. The PRA Government, headed by Jose Eduardo dos Santos, had noted with great appreciation the condemnation by Portugal at the United Nations General Assembly of the South African raids into Angolan territory, he added. [Text] [LD081525 Lisbon Radio in Portuguese to Angola, Mozambique and Sao Tome and Principe 1200 GMT 8 Nov 79 LD]

CSO: 3101

## UCD, LATIN AMERICAN PARTIES ISSUE DECLARATION

LD112254 Madrid Domestic Service in Spanish 2000 GMT 11 Nov 79 LD

[Text] A declaration in support of democracy, the defense of human rights and against the perpetuation of the economic structures of oppression in Latin America brought to an end the first meeting of Centrist parties of Latin America which has been taking place in Madrid for the past 3 days, organized by the Union of the Democratic Center. The full text of the so-called Madrid declaration is as follows:

The party representatives and political leaders who met in Madrid on 9, 10 and 11 November under the watchword "Latin American roundtable of democratic parties" declare:

1. That they see their participation in the Madrid meeting as an expression of a common stand epitomized by respect for the fundamental liberties and rights of mankind, pluralist forms of democratic representation and participation, and by an economic and social system which enables peoples to genuinely achieve equal access to well-being.
2. Solidarity with the peoples where human rights and democratic liberties do not prevail. In addition, they express their profound concern that the maintenance of democracy is meeting difficulties in the Latin American countries, and they agree to coordinate their efforts in the future in support of a pluralist and democratic option.
3. The survival of economic structures of oppression hamper the establishment of democratic and pluralist systems. By rendering changes impossible, these forms of domination become the joint objectives of revolutionary explosions which may degenerate into totalitarian systems.
4. They announce their intention to start a process of reflection on and awareness of mutual realities, agreeing on the need for intensive and broad acts of solidarity for the recovery and consolidation of democracy, and their interest in drafting a plan for cooperation between like-minded democratic parties in order to promote and maintain democratic values throughout Latin America.

5. Their shared condemnation of dictatorial regimes of any color which survive in the region, and they reiterate the urgent need to support and sustain all countries which are fighting for the survival and consolidation of democracy.

6. A commitment to maintain the contacts, the sharing of information and cooperation which has been begun in Madrid, and extend them to political parties which share their democratic vocation; and to agree to meet in 1980 in Ecuador, or alternately in Costa Rica.

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## BRIEFS

PSOE, PCE PACTS RENEWED--Delegations from the Executive Committees of the Spanish Socialist Workers' Party and the Communist Party met in the former's offices this evening. Their talks dealt with the left-wing municipal pacts. It was agreed to renew them and to continue with the development of the Constitution--which they accused Union of the Democratic Center of delaying--and with the autonomies. On this third point there was agreement that all the regions should have the same level of autonomy, although the same procedure may not be followed for the autonomy initiative in all cases. For some, the slow procedure under Article 143 of the Constitution is recommended, while for others the quicker procedure under Article 151. [Text] [LD130247 Madrid Domestic Service in Spanish 2100 GMT 12 Nov 79 LD]

TALKS WITH MOROCCO'S BOUCETTA--After 2 and 1/2 hours of talks with his Moroccan counterpart, at which both ministers reviewed the international situation and Morocco's and Spain's foreign policies, the Spanish Foreign Minister Marcelino Oreja spoke to Spanish National Radio. He said the following: [Begin Oreja recording] At today's session we reviewed on the one hand--from the Spanish side--the basic lines of Spanish foreign policy, fundamentally in its relations with Europe, the process of Spain's joining the European communities, Spain's relations with the United States within the framework of the treaty of friendship and cooperation. For his part the Moroccan minister basically spoke of the region's problems, of African matters in general and we exchanged views on areas of cooperation involving Morocco and Spain and several African countries. [Passage omitted: Spain's general African policy; Middle East and other international matters] [End recording] [Excerpts] [LD072125 Madrid Domestic Service in Spanish 1900 GMT 7 Nov 79 LD]

CARRILLO ADDRESSES PCE MEETING--Santiago Carrillo, secretary general of the PCE, has spoken of the need for understanding between the forces of the left in the political report he presented this morning at the meeting of his party's Central Committee, being held over this weekend in Madrid. The secretary general of the PCE began his report by referring to the economic crisis, which can only be solved, he said, with a forward leap which will bring with it a new international order. In the event that this does not happen there will be a serious risk of involution. He also spoke of the need to overcome the politics of military blocs, and harshly criticized the United States over its decision to sell arms to Morocco with the aim of maintaining its sovereignty in the Sahara. [Text] [LD101605 Madrid Domestic Service in Spanish 1400 GMT 10 Nov 79 LD]

## FMILLDIN'S SECOND GOVERNMENT SEEN AS AN ENCOURAGING COMPROMISE

Stockholm DAGENS NYHETER in Swedish 12 Oct 79 p 2

[Editorial]

[Text] FMilldin's "second government"--in Finland, as is well-known, with its many changes of government, the ministries are numbered according to the prime minister's name--is thus a reality.

It incorporates a vast political know-how and practical experience from many areas of the social life.

In the Riksdag, it has got the least possible majority basis, a single mandate. Nevertheless, it is a majority government, thus the type of ministry which should preferably be crystallized by the voters in an election.

FMilldin's "second government" is a political reality with significant psychological consequences. After the collapse of the three-party coalition government, the frictions among the non-Socialist parties and the most costly election campaign which the Social Democrats have ever undertaken, the newly elected Riksdag still got a non-Socialist majority.

The Social Democratic hopes were that the three non-Socialist parties would not be able to form a government together. Even these hopes were dashed. Somewhat stupefied, the Social Democratic members of the Riksdag have witnessed the resurrection of the three-party government. It certainly has had its political shock effect!

Thorbjörn FMilldin, Gösta Bohman and Ola Ullsten will occupy the waiting seats. It will probably be the last time that a leader of the Moderate Coalition Party, voluntarily, lets the office of prime minister go to a minor party within the coalition.

Sometime it will have to be clearly stated that a prime minister from the Moderate Coalition Party is just as natural as a government chief from some of the other parties.

The Moderate Coalition Party has got the eight ministers to which it is entitled according to the election results. It is a good distribution; the well over 1 million voters who voted for Gösta Bohman's party have been given their full rights.

Instead of studying the old well-known politicians who are again moving into the Kanslihus [Government Office Building], it may be of interest to say a few words on Bohman's bomb, Minister of Health Elizabeth Holm from the red Karlskoga. It is a sympathetic element in government formations not to rely exclusively on the Riksdag groups but also to take ministers from outside the circle at Sergel's Square.

Elizabeth Holm--a former county councillor and an active nurse--is well qualified for her office as minister of health. She has thus as closely as it is at all possible been working with and become acquainted with the problems of hospitals and public health services. Elizabeth Holm is no grassroots minister--both in the party and in public work, she has merited the certainly unexpected promotion.

Ulf Adelsohn's appointment as minister of communications gives wider perspectives. He will now enter the field of national politics; already from the Stockholm town hall he is known as an unusually dynamic debater and competent administrator. His ability to create a good climate of cooperation with the two other non-Socialist parties is certainly welcome.

Håkan Winberg, justice of the Court of Appeal and thus a legal expert, will become minister of justice. As distinguished from his predecessor, Sven Romanus, Winberg is a party man. It, therefore, is good that, at his side, he will get a non-political civil servant who will, of course, be in charge of the energy questions prior to the referendum, but who will, of course, also appear as a non-party attorney.

County Governor Astrid Kristensson was offered the post as minister of justice. She refused the post, however, probably to the great satisfaction of her county people in Kronoberg who, no doubt, feel that a county governor should remain in her seat. Inger Lindquist from Gothenburg, who was considered in this connection, was not available for any other post.

The 32-year-old Georg Danell will be in charge of matters involving land ownership and planning in Birgit Friggebo's (Liberal Party) Ministry of Housing and Local Government. Georg Danell certainly has a carefully prepared idea, but that he and Birgit Friggebo would not be able to work together without frictions is probably an exaggeration.

The Moderates from Fälldin's "first government" will, incidentally, return. In addition to Ullsten, the Liberal Party will let Ingemar Mundebo, Jan-Erik Wikström, Friggebo and Rolf Wirtén remain in office. Of the latter, one might desire a more aggressive approach as labor market minister. The continuity which Wirtén represents is, however, of great value in the relations with the organizations of the labor market.

Karin Söder will become minister of social affairs, a post for which she was intended before the Ministry of Foreign Affairs became "hers" 3 years ago. Nils Åsling will again become minister of industry--but, please, no continual emergency admissions this time!

The fact that Olof Johansson will also join the government implies that the center top will stand outside the control of the no-side.

Undoubtedly, the Fälldin government will be leading a hard and dangerous life. For that very reason, it may surprise the country by remaining in power throughout its term of government.

The fact that Olof Palme, on the other hand, does not go as far as to Ahlmark's famous "congratulations" is no surprise.

### The Voting

Many voted for, still more members voted against when, last Thursday afternoon, Thorbjörn Fälldin was formally appointed prime minister by the Riksdag.

As is well-known, the speaker's proposal for prime minister will be approved as long as no more than half the members of the Riksdag vote against it. That means, in practice, that at least 175 must vote against it. And there are not as many Socialists in the Riksdag. The election of Fälldin was thus clear in advance.

It thus was of no avail that the Social Democrats, onesidedly, called him their discharged member of the Riksdag from foreign continents. But it was enough to give more votes against than for his election.

Of course, the non-Socialists could also have called him their absent member to press the buttons. It would have had no political significance, but it would, of course, have looked nice.

The fact that the non-Socialists refrained, is, of course, fully understandable. It has its very banal but just as interesting explanation. It is only the Social Democrats who have got such a hold on the 1,000 kronor notes that they can spend them on empty demonstration.

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## ULLSTEN: GOVERNMENT OFFERS LIBERALS CHANCE TO SHARPEN PROFILE

Stockholm DAGENS NYHETER in Swedish 22 Oct 79 p 14

[Text] It is not intelligence and critical common sense which constitute the dangers of our time but vague emotionalism. This was the answer given to County Councillor Nils Hallerby on his speech on "the intelligence aristocracy" at the Liberal Party top when his party leader, Ola Ullsten, appeared for the first time after the election and the government negotiations at a conference of county councils, held at Uppsala.

The speech dealt with the Liberal Party after the election and included was also a reply to Hallerby's attacks.

"The years ahead of us hold such great changes in the economy, the energy supply situation and international developments, that they require of us that we show all our intellectual ability and all the rational thinking which always has been and always will be the most important tool of a liberal party," Ullsten said, among other things.

Two themes reemerged several times in his speech: that the Liberal Party is the liberal party in the three-party government, and that a party's influence cannot be judged solely on the basis of its share in the electorate.

"Cooperation with others can blur the profile of a party, but cooperation may equally well become a welcome opportunity for us to sharpen our profile, and we consider it to be our task to do this, both to the right and the left," Ullsten said. "Sharpening of one's profile can best be done while in government. If one stands outside, there are many who do not care what one says."

#### A Number of Reasons

Ullsten felt that, for a number of reasons, the government policy must lie close to the center where the Liberal Party stands. In the first place, the government has committed itself, in its declaration, to pursue a policy in the interests of the entire people. It, therefore, must also pay attention to the half of the Swedish people that voted for other parties. Consequently, the votes of the Liberal Party are needed for a majority in the Riksdag.

In the third place, the economic situation calls for a policy which is acceptable to a broad majority of the Swedish people and is met with sympathy on the part of the organizations of wage-earners.

The economic problems of Sweden require the utmost restraint, and there is no scope for cost-consuming reforms. This was Ullsten's message to the county council politicians of the Liberal Party. Also old expenditures would have to be subjected to a harsh revision.

"We must be prepared to revise even some items which are of urgency. This then is not an expression of right-wing influence, although the Social Democrats, undoubtedly, will claim this, but of the necessity of safeguarding the Swedish economy and interests in the long run in the face of the strains which the oil shortage is putting on the economy."

"Seldom has the connection between our international responsibility and our own future been more evident than it is today. The foreign policy of Sweden is concerned with entirely different things than the fine salons to which Hallerby referred," the foreign minister said.

#### Cooperation

He spoke a lot about cooperation with the opposition and in the labor market.

"Our tradition of cooperation in the labor market presupposes that the responsibility of the workers is matched by a positive will from employers to comply with the wishes of employees in questions such as workers right of co-determination in the trades and industries."

"It is wrong to divide the parties into two halves which are sharply opposed to one another. There are important differences in the ideologies of the Liberal Party and the Social Democratic Party, but also many things which unite," Ullsten said.

"It is my hope that the Social Democrats will not stick to the fruitless attitude of confrontation which marked the initial comments of their party leadership after the election. Confrontation in the hope of getting a new election means that one puts party interests above everything else," Ola Ullsten said.

"The parties should present their views on the question of nuclear energy prior to the referendum in a factual manner, but should let all voters, irrespective of party affiliation, decide what their position is on the issue," Ola Ullsten said at Uppsala last Sunday.

On 16 November, the party executive of the Liberal Party will decide how the party will proceed in connection with the referendum.

According to the three-party agreement on the government, the Liberal Party will be in charge of the equality of status delegation. The present speaker, Karin Andersson of the Center Party, will become minister. Her successor will be Karin Ahrlund (Liberal Party), member of the Riksdag.

## SAF CHIEF: TAX CUT COULD AID IN WAGE CONTRACT NEGOTIATIONS

Stockholm DAGENS NYHETER in Swedish 15 Oct 79 p 38

[Text] "The most urgent tax reform today is lowering the total tax burden," Curt Nicolin, spokesman for the Swedish Federation of Employers, said in a TV interview. In connection with the wage contract negotiations, a reduction of direct taxes can become very effective.

"A reduction of the employer's contribution charge is also urgently needed. Now it will instead be increased as of 1 January 1980. I consider this a completely crazy policy."

The 1980 wage contract negotiations were initiated in the fall throughout the labor market. But the parties will first have to conclude the compensation negotiations which were brought about by the 1979 price increases.

To the questions whether increases in real wages will be included in the 1980 wage contract negotiations, and whether it will be possible for employers to compensate wage earners for the 1979 price increases, Curt Nicolin answered:

## Losing Control

"It is extremely difficult to answer these questions. The partners in the wage contract negotiations no longer control the conditions, primarily on account of the signals of new oil price increases. They may jeopardize the best kind of wage contract negotiations."

"It is often being said that there is a wage increase margin, although no agreement exists as to what is meant by such a margin. It is obvious that the Swedish industries this year have had an increase both in production and in productivity. This has caused an improvement in the situation compared with last year."

"But even if we have had no increase in oil prices, we would still not be back at normal profitability levels and normal investment levels, nor have regained our lost share of the world market."

"We have still not decided how we shall act in the 1980 wage contract negotiations. We shall do everything to speed up the economy of the country. Then we can more quickly implement real purchasing power improvements for employees, create more employment and contribute to a reduction of the balance of payments deficit against foreign countries, hopefully also the budget deficit of the state."

"The most effective method to reach these goals will be to have a rate of inflation which is appreciably below that of other countries. In such a situation, extremely cautious agreements are required, as well as a high measure of restraint in public spending."

"Tax reforms are also needed which will make it more profitable to contribute to the process of production, whether it be with work or with capital."

#### Absenteeism

Absenteeism at the places of work is a problem which the Swedish Federation of Employers will attack in the coming wage contract negotiations.

"Sooner or later, we must seriously deal with this problem," Nicolin said. "When I say this, they all believe that I mean that we must drive sick people to work, or that we must reduce the benefits for those who really are ill. But that is not the intention. The task is to solve the problem with different measures which do not require these sacrifices. Whether these questions can be solved in next year's wage contract negotiations, we shall find out."

An increasing number of trade unions, among them the big Metall [the Swedish Metal Workers' Union], have started demanding fixed wages instead of incentive pay. But a favorable development in the industrial life requires that people have public incentives for working, the chief of the Swedish Federation of Employers said. He thus wants to retain the incentive payment plan and finds it desirable that it comprise civil servants as well.

What are the most important demands which the Swedish Federation of Employers makes of the new government?

"That it creates a healthy economy in Sweden as soon as possible. This implies that we must get such a cost level that we can export more and compete better on imported goods, that we can employ far more people within the trades and industries, that we reduce the deficit of the government considerably so that the private consumption can grow, and that we eliminate the deficit on our balance of trade so that the volume of our investments becomes such that we can pave the way for the future."

#### Devaluation?

"The devaluations we have had have been favorable to the trades and industries. A new devaluation should be considered only if our problems



cannot be solved in any other way. In the last few years, we have had a relatively more favorable development than the OECD countries in general."

May it then be possible to solve the problems of employment and the energy question in Sweden without nuclear power?

"If we were prepared to develop hydro-electric power, this would, of course, reduce the need for, for example, nuclear power. But we are not. We, actually, are opposed to the development of all known types of power--hydro-electric power, nuclear power, coal power and oil power. We readily talk about alternative energy sources. I am not for them, just as I am not for saving energy, but we cannot rely on them until they are available in a usable form."

"We have invested a lot of money in nuclear power, money which is lost if we do not exploit it. The referendum on nuclear power costs billions of kronor just because of the delays and obscurities in the planning."

#### Risk of Conflict

Is there a risk of conflict in the upcoming wage contract negotiations?

"Most people know, of course, that things now are going better for the trades and industries. They then also find that it would be reasonable for them to get a share in the improvements, especially since the last few years have not given so much."

"But it is not only the wage earners who have had to bear the burdens of the last few years. It is being said that money has been pouring to the owners of capital, but the last few years have to them been the worst within living memory."

"Calm wage contract negotiations, therefore, would benefit everybody. And I want to stress once more: the statements recently made by the Swedish Trade Union Confederation may very well contribute to a peaceful settlement."

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## EXPORT OF MILITARY TECHNOLOGY A SWEDISH GROWTH INDUSTRY

Stockholm DAGENS NYHETER in Swedish 9 Oct 79 p 29

[Reportage by Henric Borgström]

[Text] The export of military electronics seems to have a future. The five Swedish enterprises which exhibited at a special fair at Wiesbaden some weeks ago anticipate a rapid expansion in the export of military electronics, more rapid than for the weapons which were previously exported, aircraft, guns, and commercial weapons.

In Sweden, more than 5,000 people are today employed in the field of military electronics, which is sold for approximately 1 billion kroner. There probably is no other branch of industry with such a qualified staff. Technicians, a large number of whom are graduate engineers, dominate over other categories of personnel. Also the labor-contract workers belong to the most competent workers in the labor market.

It was difficult for a layman to form an opinion on his own of the technical gadgets which were shown at the fair at Wiesbaden, laser beams, infrared technology, radio relay links, measuring instruments, data-processing systems, etc.

But it soon became clear to the visitor that the five Swedish exhibitors are among the top world experts in their respective fields.

Several of them have also been quite successful in the export of their products. In each stand--just as at the aircraft exhibitions in Paris and London--they were complaining that the Swedish export regulations are too stiff. But it is today possible to sell military electronics more freely than other weapons.

"This is a difficult problem," says acting war materials inspector Jürgen Holgersson, an attorney in the Ministry of Commerce and Industry who decides what may be exported.

"Each component is, of course, innocent by itself. It is when it is assembled that the question arises whether it is mainly to be used for military purposes or not. There are several debatable cases where civilian products can be used for military purposes."

"Hitherto, we have considered, for example, supervisory systems for air and water to be civilian material. But we review them from case to case. As the problems become more and more difficult, we have entrusted the newly appointed weapons export committee, under the leadership of former minister of foreign affairs Sven Andersson, with the task of discussing the borderline cases," Jürgen Holgerason says.

### Bomb Threats

The fact that this kind of weapons export meets with opposition from the peace movement was clearly felt at Wiesbaden. All the time, there were demonstrations outside the fair. Seminars were set up, and already on the first day of the exhibition, the premises had to be cleared on account of bomb threats.

The attitude of the Swedish enterprises to the criticism is known from other weapons exhibitions: Under all circumstances, developing countries are investing a lot of money in war material. Let them, also in the future, decide this matter for themselves.

Since the big powers nearly always demand political advantages in return for weapons exports, it is felt that it is better for the developing countries to be able to turn to neutral export markets, for example Sweden.

It has been ascertained that the five enterprises have made much progress with their military electronics in several export markets where normal weapons are not allowed to be sold, for example in the Middle East.

But, at the fair, there clearly also was more sensitive military electronics. At Saab's stand, an Argentine was turned away in a friendly, but firm manner. There was no point in proceeding with the discussions on export to that country.

One problem to the Swedish enterprises is that they need the so-called references to completed constructions, i.e. they need to be able to refer to already built fighter aircraft, patrol boats, guns or other equipment in which their electronics has already been incorporated.

If Sweden, in the long run, will be forced to discontinue its own development of, for example, fighter aircraft, the chances of the electronic engineering enterprises to get their products incorporated in foreign systems are reduced.

An example is the so-called "flir," forward-directed infrared rays which, in the dark of the night, intercept the radiation of heat from, for example, people or engines, and which, subsequently, draw perfect charts.

L.M. Ericsson at Malmö and Bofors (2,100 employees) have been the first in Europe to introduce a "flir." It was intended for the earlier planned Swedish fighter aircraft B7A/A38.

## Giant Family

When, in the spring, the Riksdag rejected the project, it was, of course, a setback to LM. But they soon found a solution and incorporated the "flir" into the so-called "podder" of the FFV (The Swedish National Industries Corporation at Eskilstuna), i.e. sheet-metal boxes which are suspended under old aircraft which have no "flir" incorporated. And this was exhibited at the fair.

Some snapshots from the other Swedish stands:

### Bofors

Through its purchase of other enterprises, Bofors has taken charge of the production of optics for its own guns. In 1977, the military section of Aga was purchased, and, in 1978, Jungner's military optics section was purchased.

The enterprise is now called Bofors Aerotronics. Within the Aga concern, the military section was a losing operation. The operation is better suited within the Bofors organization and, furthermore, here has access to the worldwide marketing network.

Aerotronics has approximately 400 employees, most of them on Lidingö, and, at present, also the remaining 150 employees are moving there from Solna. In addition to optics, they also work with military radios, navigation and fire control.

A fascinating object at the exhibition was the telescope which can be used in the pitch darkness of night. It magnifies electronically the light which is always being emitted from the stars or the moon, and it becomes entirely possible to see, for example, people at a long distance.

### Philips

The Philips Electronics Industries at Järfälla north of Stockholm are major producers of military electronics. Approximately 1,000 of the 1,700 employees work in this area.

Philips competes, for example, with Saab on fire control systems, with Datasaab and LM Ericsson on equipment for radar and data processing, with SRA on military communication systems, i.e. communication radios, with Saab on aircraft electronics. But sometimes the competitors also cooperate as partners.

A step forward to Philips last year was the delivery of fire-control systems to 16 patrol boats which are now being built at a Norwegian shipyard for the Swedish Navy.



## SRA-LM

SRA (formerly Svenska Radio AB) began with crystal receivers in the years up to 1920. It is owned for 79 percent by LM Ericsson and for 21 percent by British Marconi. Today there is no home electronics, but a big civilian product is paging equipment.

The enterprise has 2,600 employees, among other places at Kista, north of Stockholm. There is, moreover, production at Kumla, and, in addition, Aga's plant and, later on, Sonab's plant at Gävle have been taken over.

At the fair, military telephones and radios, command stations for airports, etc., were shown. The new military telephone system which is being developed is considered very difficult to beat and discontinue.

SRA had joined its stand with that of Norsk Elektrisk Byrå, which, for approximately 25 percent, is owned by LM Ericsson. There was a bit of difference in their efforts at the fair--the Norwegians had 20 men on the spot, SRA had 5.

But SRA also was able to present such product as, for example, are found on the fighter aircraft Viggen, under the slogan of "SRA for electronic warfare."

### Enemy and Friend

Saab's missile and electronics sector within the aircraft division also has an exhibition. The sector has a staff of approximately 500 technicians and administrative personnel at Linköping, plus approximately 250 workers, 100 of whom at Gothenburg.

They are engaged in four areas:

1. Missiles, among other things, the development of the new Missile 15 for the Swedish Navy, give employment to approximately 250 people.
2. Space technology, among other things, data for the joint European Ariane satellite, which will be launched within a short period of time from French Guayana.
3. Non-military marine electronics, for example, a small radar which is incorporated in a supertanker for the recording of oil levels.
4. Fire control. A small new item at the fair is the battery of small steel strips which can be thrown into the air and produce a foggy cloud for enemy radar. Sometimes, an apparatus will indicate in which direction one's own aircraft can fly. The cost is approximately 1 million kronor.

But Saab also sells a system for 2 million kronor which the enemy then can use, a laser-controlled fire control system which can be used in cases where there is radar interference. Here both friends and enemies can thus get what they want.

## Secrets

A problem which is more difficult for producers of military electronics than for ordinary weapons producers is the secrecy, the defense secrets.

A weapon found on the assembly line is no longer considered a secret. But an electronics system can be kept secret much more easily, not as many people are involved, it is much more complicated.

Saab has such a problem now, a radar which screens away what one is not interested in following on the radar screen. Saab has asked for permission to sell the system abroad, but the Swedish Navy has been delaying its permit.

## Foa

Foa 3 (the section of the Research Institute of the Swedish National Defense which is located at Linköping) had half a dozen men at the fair. The chief, Torsten Linnell, says:

"What is not here of military electronics is not worth seeing. Foa, of course, is not a buyer, but, in order to make our reports, we need to get an idea of what is going on when it comes to military application of electronics, optics, and acoustics."

"Foa 3 works with prognoses as to what warfare will be like in 5-10 years and the years thereafter. From the series of scientific lectures found at the fair, we learn what is coming, what is stagnating."

"A big item now seems to be an instrument for seeing in the dark, the 'flir.' LM Ericsson and Saab seem to become the best in the world in that area."

"A staff member of Foa, Hans Ottersten, gave a lecture on the influence of weather conditions on the visibility and how, by displacing, for example, humidity and turbulence, one can make a direct assessment of the visibility."

"Such know-how will later be used by the industry to evaluate how close one must go to dispatch missiles and, at the same time, how close the enemy must come."

"In such questions, we have a continuous exchange of information with the United States, Great Britain, and Denmark," Linnell says.

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